UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2022

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission File Number: 0-25965

ZIFF DAVIS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**47-1053457**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

114 5th Avenue New York, New York 10011 (212) 503-3500

(Address and telephone number of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	ZD	Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐	Non-Accelerated filer ☐	Smaller reporting company ☐
Emerging growth company ☐			

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

There were 47,191,564 shares outstanding of the Registrant's common stock as of November 4, 2022.

ZIFF DAVIS, INC. AND SUBSIDIARIES
QUARTERLY REPORT
QUARTER ENDED SEPTEMBER 30, 2022

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

ZIFF DAVIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, in thousands except share and per share data)

	September 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	$ 621,917	$ 694,842
Short-term investments	54,897	229,200
Accounts receivable, net of allowances of $6,425 and $9,811, respectively (includes $1,216 and $9,272 due from related party, respectively)	232,297	316,342
Prepaid expenses and other current assets	66,193	60,290
Total current assets	975,304	1,300,674
Long-term investments	124,228	122,593
Property and equipment, net	171,181	161,209
Operating lease right-of-use assets	44,257	55,617
Trade names, net	142,044	147,761
Customer relationships, net	227,126	275,451
Goodwill	1,579,957	1,531,455
Other purchased intangibles, net	129,282	149,513
Deferred income taxes, noncurrent	7,636	5,917
Other assets	32,053	20,090
TOTAL ASSETS	$ 3,433,068	$ 3,770,280
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued expenses	$ 212,926	$ 229,772
Deferred revenue, current	180,136	185,571
Operating lease liabilities, current	23,171	27,156
Current portion of long-term debt	—	54,609
Other current liabilities	222	130
Total current liabilities	416,455	497,238
Long-term debt	998,499	1,036,018
Deferred revenue, noncurrent	8,742	14,839
Operating lease liabilities, noncurrent	38,334	53,708
Income taxes payable, noncurrent	11,675	11,675
Liability for uncertain tax positions	45,439	42,546
Deferred income taxes	83,038	108,982
Other long-term liabilities	37,241	37,542
TOTAL LIABILITIES	1,639,423	1,802,548
Commitments and contingencies (Note 9)		
Preferred stock, $0.01 par value. Authorized 1,000,000 and none issued	—	—
Preferred stock - Series A, $0.01 par value. Authorized 6,000; total issued and outstanding zero	—	—
Preferred stock - Series B, $0.01 par value. Authorized 20,000; total issued and outstanding zero	—	—
Common stock, $0.01 par value. Authorized 95,000,000; total issued and outstanding 47,189,907 and 47,440,137 shares at September 30, 2022 and December 31, 2021, respectively.	472	474
Additional paid-in capital	432,272	509,122
Retained earnings	1,469,519	1,515,358
Accumulated other comprehensive loss	(108,618)	(57,222)
TOTAL STOCKHOLDERS' EQUITY	1,793,645	1,967,732
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,433,068	$ 3,770,280

See Notes to Condensed Consolidated Financial Statements (Unaudited)

ZIFF DAVIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Total revenues	$ 341,873	$ 355,144	$ 994,297	$ 1,008,094
Cost of revenues [1]	52,603	49,698	144,707	142,335
Gross profit	289,270	305,446	849,590	865,759
Operating expenses:				
Sales and marketing [1]	119,474	126,577	361,013	354,949
Research, development and engineering [1]	17,735	19,619	55,883	56,999
General and administrative [1]	95,658	114,240	299,842	339,236
Goodwill impairment on business	27,369	—	27,369	32,629
Total operating expenses	260,236	260,436	744,107	783,813
Income from operations	29,034	45,010	105,483	81,946
Interest expense, net	(8,560)	(14,490)	(28,419)	(56,980)
Gain on debt extinguishment, net	10,112	—	11,505	—
Loss on sale of businesses, net	—	(24,600)	—	(21,798)
Unrealized gain (loss) on short-term investments held at the reporting date, net	4,201	—	(14,165)	—
Gain (loss) on investments, net	471	—	(47,772)	(16,677)
Other income (loss), net	4,218	107	12,962	(466)
Income (loss) from continuing operations before income taxes and (loss) income from equity method investment, net	39,476	6,027	39,594	(13,975)
Income tax (expense) benefit	(18,100)	2,665	(33,231)	19,883
(Loss) income from equity method investment, net	(3,191)	(1,923)	(10,077)	16,596
Net income (loss) from continuing operations	18,185	6,769	(3,714)	22,504
Income from discontinued operations, net of income taxes	—	35,800	—	113,705
Net income (loss)	$ 18,185	$ 42,569	$ (3,714)	$ 136,209
Net income (loss) per common share from continuing operations:				
Basic	$ 0.39	$ 0.14	$ (0.08)	$ 0.50
Diluted	$ 0.39	$ 0.14	$ (0.08)	$ 0.47
Net income per common share from discontinued operations:				
Basic	$ —	$ 0.77	$ —	$ 2.51
Diluted	$ —	$ 0.74	$ —	$ 2.39
Net income (loss) per common share:				
Basic	$ 0.39	$ 0.91	$ (0.08)	$ 3.01
Diluted	$ 0.39	$ 0.88	$ (0.08)	$ 2.86
Weighted average shares outstanding:				
Basic	46,871,897	46,738,073	46,967,671	45,258,819
Diluted	46,871,897	48,582,585	46,967,671	47,565,062
[1] Includes share-based compensation expense as follows:				
Cost of revenues	$ 63	$ 70	$ 289	$ 220
Sales and marketing	772	335	2,447	879
Research, development and engineering	567	514	2,048	1,390
General and administrative	4,984	5,484	16,022	15,513
Total	$ 6,386	$ 6,403	$ 20,806	$ 18,002

See Notes to Condensed Consolidated Financial Statements (Unaudited)

ZIFF DAVIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited, in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Net income (loss)	$ 18,185	$ 42,569	$ (3,714)	$ 136,209
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustment	(24,753)	(11,101)	(55,283)	(16,269)
Consensus separation adjustment	—	—	4,056	—
Change in fair value on available-for-sale investments, net of tax expense of $— and $— for the three and nine months ended September 30, 2022, respectively, and $37 for the three and nine months ended September 30, 2021, respectively.	(169)	(114)	(169)	(114)
Other comprehensive loss, net of tax	(24,922)	(11,215)	(51,396)	(16,383)
Comprehensive (loss) income	$ (6,737)	$ 31,354	$ (55,110)	$ 119,826

See Notes to Condensed Consolidated Financial Statements (Unaudited)

ZIFF DAVIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Nine Months Ended September 30,	
Cash flows from operating activities:	**2022**	**2021**
Net (loss) income	$ (3,714)	$ 136,209
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	174,880	196,443
Amortization of financing costs and discounts	2,051	21,295
Non-cash operating lease costs	9,043	8,366
Share-based compensation	20,806	19,119
Provision for credit losses on accounts receivable	(1,142)	7,934
Deferred income taxes, net	(13,552)	2,537
Gain on extinguishment of debt, net	(11,505)	—
Gain on sale of businesses	—	21,798
Goodwill impairment on business	27,369	32,629
Changes in fair value of contingent consideration	(2,305)	(567)
Loss (income) from equity method investments	10,077	(16,596)
Unrealized gain (loss) on short-term investments held at the reporting date	14,165	—
Loss on investments, net	47,772	16,677
Other	269	9,591
Decrease (increase) in:		
Accounts receivable (includes $9,425 and $0 with related parties)	85,121	49,888
Prepaid expenses and other current assets	3,177	(10,610)
Operating lease right-of-use assets	3,851	2,833
Other assets	(12,518)	(2,378)
Increase (decrease) in:		
Accounts payable and accrued expenses	(24,974)	(1,409)
Income taxes payable	13,529	(37,863)
Deferred revenue	(25,400)	4,774
Operating lease liabilities	(23,027)	(22,179)
Liability for uncertain tax positions	2,893	(2,903)
Other long-term liabilities	(3,647)	(5,336)
Net cash provided by operating activities	293,219	430,252
Cash flows from investing activities:		
Proceeds from sale of available-for-sale investments	—	663
Investment in available-for-sale securities	(15,000)	—
Distribution from equity method investment	—	15,327
Purchases of equity method investment	—	(22,249)
Purchases of equity investments	—	(999)
Purchases of property and equipment	(80,767)	(87,495)
Acquisition of businesses, net of cash received	(104,094)	(112,444)
Proceeds from sale of businesses, net of cash divested	—	48,876
Purchases of intangible assets	—	(1,255)
Net cash used in investing activities	(199,861)	(159,576)
Cash flows from financing activities:		
Payment of debt	(166,904)	(402,414)
Proceeds from term loan	112,286	—
Debt extinguishment costs	(756)	—
Proceeds from bridge loan	—	485,000

Repurchase of common stock	(76,545)	(29,855)
Issuance of common stock under employee stock purchase plan	5,235	4,232
Exercise of stock options	148	2,880
Deferred payments for acquisitions	(14,734)	(13,387)
Other	(559)	(6,619)
Net cash (used in) provided by financing activities	(141,829)	39,837
Effect of exchange rate changes on cash and cash equivalents	(24,454)	(6,698)
Net change in cash and cash equivalents	(72,925)	303,815
Cash and cash equivalents at beginning of period	694,842	242,652
Cash and cash equivalents at beginning of period associated with discontinued operations	—	66,210
Cash and cash equivalents at beginning of period associated with continuing operations	694,842	176,442
Cash and cash equivalents at end of period	621,917	546,467
Cash and cash equivalents at end of period associated with discontinued operations	—	31,210
Cash and cash equivalents at end of period associated with continuing operations	$ 621,917	$ 515,257

See Notes to Condensed Consolidated Financial Statements (Unaudited)

ZIFF DAVIS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three and Nine Months Ended September 30, 2021 and 2022
(Unaudited, in thousands, except share amounts)

	Three Months Ended September 30, 2021					
	Common stock		Additional paid-in	Retained	Accumulated other comprehensive	Total Stockholders'
	Shares	Amount	capital	earnings	loss	Equity
Balance, July 1, 2021	44,708,235	$ 447	$ 461,422	$ 892,605	$ (59,974)	$ 1,294,500
Net income	—	—	—	42,569	—	42,569
Other comprehensive loss, net of tax expense of $37	—	—	—	—	(11,215)	(11,215)
Exercise of stock options	23,250	—	1,549	—	—	1,549
Redemption of 3.25% Convertible Note including tax impact	3,031,817	31	44,192	—	—	44,223
Vested restricted stock	112,166	1	(1)	—	—	—
Repurchase and retirement of common stock	(49,641)	(1)	(3,035)	(3,885)	—	(6,921)
Share-based compensation	—	—	6,755	—	—	6,755
Other, net	—	—	(2,389)	188	—	(2,201)
Balance, September 30, 2021	47,825,827	$ 478	$ 508,493	$ 931,477	$ (71,189)	$ 1,369,259

	Three Months Ended September 30, 2022					
	Common stock		Additional paid-in	Retained	Accumulated other comprehensive	Total Stockholders'
	Shares	Amount	capital	earnings	loss	Equity
Balance, July 1, 2022	47,191,337	$ 472	$ 426,104	$ 1,451,316	$ (83,696)	$ 1,794,196
Net income	—	—	—	18,185	—	18,185
Other comprehensive loss, net of tax expense of zero	—	—	—	—	(24,922)	(24,922)
Issuance of restricted stock, net	1,171	—	—	—	—	—
Repurchase and retirement of common stock	(2,601)	—	(218)	18	—	(200)
Share-based compensation	—	—	6,386	—	—	6,386
Balance, September 30, 2022	47,189,907	$ 472	$ 432,272	$ 1,469,519	$ (108,618)	$ 1,793,645

	Nine months ended September 30, 2021					
	Common stock		Additional paid-in	Retained	Accumulated other comprehensive	Total Stockholders'
	Shares	Amount	capital	earnings	loss	Equity
Balance, January 1, 2021	44,346,630	$ 443	$ 456,274	$ 809,107	$ (54,806)	$ 1,211,018
Net income	—	—	—	136,209	—	136,209
Other comprehensive loss, net of tax expense of $37	—	—	—	—	(16,383)	(16,383)
Exercise of stock options	68,601	1	2,879	—	—	2,880
Issuance of shares under employee stock purchase plan	58,145	1	4,231	—	—	4,232
Redemption of 3.25% Convertible Note including tax impact	3,050,850	31	44,191	—	—	44,222
Vested restricted stock	546,684	5	(5)	—	—	—
Repurchase and retirement of common stock	(245,083)	(3)	(15,825)	(14,027)	—	(29,855)
Share-based compensation	—	—	19,119	—	—	19,119
Other, net	—	—	(2,371)	188	—	(2,183)
Balance, September 30, 2021	47,825,827	$ 478	$ 508,493	$ 931,477	$ (71,189)	$ 1,369,259

	Nine Months Ended September 30, 2022					
	Common stock		Additional paid-in	Retained	Accumulated other comprehensive	Total Stockholders'
	Shares	Amount	capital	earnings	loss	Equity
Balance, January 1, 2022	47,440,137	$ 474	$ 509,122	$ 1,515,358	$ (57,222)	$ 1,967,732
Reclassification of the equity component of 1.75% Convertible Notes to liability upon adoption of ASU 2020-06	—	—	(88,137)	23,436	—	(64,701)
Net loss	—	—	—	(3,714)	—	(3,714)
Other comprehensive loss, net of tax expense of zero	—	—	—	—	(51,396)	(51,396)
Exercise of stock options	5,439	—	148	—	—	148
Issuance of shares under employee stock purchase plan	76,741	1	5,234	—	—	5,235
Issuance of restricted stock, net	456,963	4	(4)	—	—	—
Repurchase and retirement of common stock	(789,373)	(7)	(14,881)	(61,657)	—	(76,545)
Share-based compensation	—	—	20,806	—	—	20,806
Other, net	—	—	(16)	(3,904)	—	(3,920)
Balance, September 30, 2022	47,189,907	$ 472	$ 432,272	$ 1,469,519	$ (108,618)	$ 1,793,645

See Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation and Overview

The accompanying Condensed Consolidated Financial Statements of Ziff Davis, Inc. and its subsidiaries (“Ziff Davis”, the “Company”, “our”, “us”, or “we”), whether directly or indirectly wholly-owned, were prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), and all adjustments considered necessary for a fair presentation have been included. All intercompany accounts and transactions have been eliminated in consolidation.

The accompanying interim Condensed Consolidated Financial Statements have been prepared in accordance with instructions for Form 10-Q and Article 10 of Regulation S-X issued by the Securities and Exchange Commission (“SEC”). The preparation of these Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the Condensed Consolidated Financial Statements, as well as the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. All normal recurring adjustments necessary for a fair presentation of these interim Condensed Consolidated Financial Statements were made.

This Quarterly Report on Form 10-Q should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission ("SEC") on March 15, 2022 and other filings with the SEC.

The results of operations for this interim period are not necessarily indicative of the operating results for the full year or for any future period.

Description of Business

Ziff Davis, Inc. is a vertically focused digital media and internet company whose portfolio includes leading brands in technology, entertainment, shopping, health, cybersecurity, and martech. Our Digital Media business specializes in the technology, shopping, gaming, and healthcare markets, offering content, tools and services to consumers and businesses. Our Cybersecurity and Martech business provides cloud-based subscription services to consumers and businesses including cybersecurity, privacy and marketing technology.

On October 7, 2021, in connection with the spin-off of its cloud fax business described further below, the Company changed its name from J2 Global, Inc. to Ziff Davis, Inc. Additionally, starting October 8, 2021, the Company’s common stock began trading under the stock symbol “ZD.”

Discontinued Operations

On October 7, 2021, the Company completed the separation of its cloud fax business (the “Separation”) into an independent publicly traded company, Consensus Cloud Solutions, Inc. (“Consensus”). The Separation was achieved through the Company’s distribution of 80.1% of the shares of Consensus common stock to holders of J2 Global common stock as of the close of business on October 1, 2021, the record date for the distribution. The Company’s stockholders of record received one share of Consensus common stock for every three shares of J2 Global’s common stock. Ziff Davis, Inc., formerly J2 Global, Inc., retained a 19.9% interest in Consensus following the Separation (the “Investment in Consensus”). The accounting requirements for reporting the Company’s cloud fax business as a discontinued operation were met when the Separation was completed. Accordingly, the Condensed Consolidated Financial Statements reflect the results of the cloud fax business as a discontinued operation for all periods presented. Ziff Davis did not retain a controlling interest in Consensus.

On June 9, 2022, the Company entered into an agreement with certain selling shareholders of Consensus who executed an underwritten public offering pursuant to a registration statement filed by Consensus with the SEC for 2,000,000 shares of its common stock (including a 30-day option for the underwriters to purchase from the selling shareholders an additional 300,000 shares at the public offering price less the underwriting discount). On June 10, 2022, the Company entered into a Fifth Amendment to its existing Credit Agreement, providing for the issuance of a senior secured term loan under the Credit Agreement (the “Term Loan Facility”), in an aggregate principal amount of approximately $90.0 million. During June 2022, the Company subsequently completed a non-cash exchange of the 2,300,000 shares of its common stock of Consensus with the selling shareholders to settle the Company’s obligations of $90.0 million outstanding aggregate principal amount of the Term Loan Facility plus related interest and the corresponding underwriting fees.

On September 14, 2022, the Company entered into an agreement with certain selling shareholders of Consensus who executed an underwritten public offering pursuant to a registration statement filed by Consensus with the SEC for 500,000 shares of its common stock. On September 15, 2022, the Company entered into a Sixth Amendment to its existing Credit Agreement, providing for the issuance of a senior secured term loan under the Credit Agreement (the “Term Loan Two Facility”, together with the Term Loan Facility, collectively, “Term Loan Facilities”), in an aggregate principal amount of approximately $22.3 million. During September 2022, the Company subsequently completed a non-cash exchange of the 500,000 shares of its common stock of Consensus with the selling shareholders to settle the Company’s obligations of $22.3 million outstanding aggregate principal amount of the Term Loan Two Facility plus related interest and the corresponding underwriting fees. Refer to Note 8 - *Debt* for further discussion.

As of September 30, 2022, the Company continues to hold approximately 1.2 million shares of common stock of Consensus (the “Retained Consensus Shares”). The Investment in Consensus represents the investment in equity securities for which the Company elected the fair value option and subsequent fair value changes in the Consensus shares are included in the assets of and results from continuing operations. Refer to Note 4 - *Investments* and Note 5 - *Discontinued Operations* for additional information.

Allowances for Credit Losses

The Company maintains an allowance for credit losses on accounts receivable, which is recorded as an offset to accounts receivable and changes in such are classified as general and administrative expenses in the Condensed Consolidated Statements of Operations. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when it identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status. It also considers customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. On an ongoing basis, management evaluates the adequacy of these reserves.

Revenue Recognition

The Company recognizes revenue when the Company satisfies its obligation by transferring control of the goods or services to its customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Refer to Note 2 - *Revenues* for additional details.

Principal vs. Agent

The Company determines whether revenue should be reported on a gross or net basis by assessing whether the Company is acting as the principal or an agent in the transaction. If the Company is acting as the principal in a transaction, the Company reports revenue on a gross basis. If the Company is acting as an agent in a transaction, the Company reports revenue on a net basis. In determining whether the Company acts as the principal or an agent, the Company follows the accounting guidance under Topic 606 for principal-agent considerations and assesses: (i) if another party is involved in providing goods or services to the customer, (ii) whether the Company controls the specified goods or services prior to transferring control to the customer and (iii) whether the Company has discretion on pricing.

Sales Taxes

The Company has made an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by a governmental authority that are (i) both imposed on and concurrent with a specific revenue-producing transaction and (ii) collected by the Company from a customer.

Investments

We account for our investments in debt securities in accordance with ASC Topic 320, *Investments - Debt Securities (“ASC 320”)*. Our debt investments are typically comprised of corporate debt securities, which are classified as available-for-sale. Available-for-sale securities are carried at fair value with unrealized gains and losses included in other comprehensive income. All debt securities are accounted for on a specific identification basis.

The Company's available-for-sale debt securities are carried at an estimated fair value with any unrealized gains or losses, net of taxes, included in accumulated other comprehensive loss on our Condensed Consolidated Balance Sheets. Available-for-sale debt securities with an amortized cost basis in excess of estimated fair value are assessed to determine what amount of that difference, if any, is caused by expected credit losses. Expected credit losses on available-for-sale debt securities are recognized in loss on investments, net on our Condensed Consolidated Statements of Operations, and any remaining unrealized losses, net of taxes, are included in accumulated comprehensive loss on our Condensed Consolidated Balance Sheets.

We account for investments in equity securities in accordance with ASC Topic 321, *Investments - Equity Securities ("ASC 321")*, which requires the accounting for equity investments, other than those accounted for under the equity method of accounting, generally be measured at fair value for equity securities with readily determinable fair values. Equity securities without a readily determinable fair value, which are not accounted for under the equity method of accounting, are measured at their cost, less impairment, if any, and adjusted for observable price changes arising from orderly transactions in the same or similar investment from the same issuer. Any unrealized gains or losses will be reported within earnings on the Condensed Consolidated Statements of Operations.

We assess whether an other-than-temporary impairment loss on an investment has occurred due to declines in fair value or other market conditions. Refer to Note 4 - *Investments* for additional information.

The Retained Consensus Shares are equity securities accounted for at fair value under the fair value option, and the related fair value gains and losses are recognized in earnings. As the initial carrying value of the Retained Consensus Shares was negative immediately following the Separation, the Company elected the fair value option under ASC 825-10-25 to support the initial recognition of the Retained Consensus Shares at fair value and the negative book value was recorded as a gain at the date of Separation. The fair value of Consensus common stock is readily available as Consensus is a publicly traded company.

Variable Interest Entities ("VIEs")

A VIE requires consolidation by the entity's primary beneficiary. The Company evaluates its investments in entities in which it is involved to determine if the entity is a VIE and if so, whether it holds a variable interest and is the primary beneficiary. The Company has determined that it holds a variable interest in its investment as a limited partner in the OCV Fund I, LP ("OCV Fund", "OCV" or the "Fund") and in Group Black, Inc. ("Group Black"). In determining whether the Company is deemed to be the primary beneficiary of the VIE, both of the following characteristics must be present:

a) the Company has the power to direct the activities of the VIE that most significantly impacts the VIEs economic performance (the power criterion); and

b) the Company has the obligation to absorb losses of the VIE, or the right to receive benefits of the VIE, that could potentially be significant to the VIE (the economic criterion).

The Company has concluded that, as a limited partner, although the obligations to absorb losses or the right to benefit from the gains is not insignificant, the Company does not have "power" over OCV because it does not have the ability to direct the significant decisions which impact the economics of OCV. The Company believes that the OCV general partner, as a single decision maker, holds the ability to make the decisions about the activities that most significantly impact the OCV Fund's economic performance. As a result, the Company has concluded that it will not consolidate OCV, as it is not the primary beneficiary of the OCV Fund, and will account for this investment under the equity-method of accounting (see Note 4 - *Investments*).

OCV qualifies as an investment company under ASC Topic 946, Financial Services, Investment Companies ("ASC 946"). Under ASC Topic 323, Investments - Equity Method and Joint Ventures, an investor that holds investments that qualify for specialized industry accounting for investment companies in accordance with ASC 946 should record its share of the earnings or losses, realized or unrealized, as reported by its equity method investees in the Condensed Consolidated Statements of Operations.

The Company recognizes its equity in the net earnings or losses relating to the investment in OCV on a one-quarter lag due to the timing and availability of financial information from OCV. If the Company becomes aware of a significant decline in value that is other-than-temporary, the loss will be recorded in the period in which the Company identifies the decline.

Ziff Davis has variable interests in Group Black. Group Black is a limited partnership and is managed by its Board of Directors. As of September 30, 2022, the Company does not have voting rights in the investee and lacks the power and the ability to control or direct the significant economic operations of the investee. Ziff Davis is not a primary beneficiary and does not consolidate the entity under either the VIE model or the voting interest (“VOE”) model. Refer to Note 4 - *Investments* for additional detail.

Impairment or Disposal of Long-Lived Assets

The Company accounts for long-lived assets, which include property and equipment, operating lease right-of-use assets and identifiable intangible assets with finite useful lives (subject to amortization), in accordance with the provisions of ASC Topic. 360, Property, Plant, and Equipment (“ASC 360”), which requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparing the carrying amount of an asset to the expected undiscounted future net cash flows generated by the asset. If it is determined that the asset may not be recoverable, and if the carrying amount of an asset exceeds its estimated fair value, an impairment charge is recognized to the extent of the difference.

The Company assesses the impairment of identifiable definite-lived intangibles and long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors it considers important which could individually or in combination trigger an impairment include the following:

- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of our use of the acquired assets or the strategy for the Company’s overall business;
- Significant negative industry or economic trends;
- Significant decline in the Company’s stock price for a sustained period; and
- The Company’s market capitalization relative to net book value.

If the Company determined that the carrying value of definite-lived intangibles and long-lived assets may not be recoverable based upon the existence of one or more indicators of impairment, it would record an impairment equal to the excess of the carrying amount of the asset over its estimated fair value.

The Company assessed whether events or changes in circumstances have occurred that potentially indicate the carrying amount of definite-lived assets may not be recoverable. During the nine months ended September 30, 2022, the Company did not have any events or circumstances indicating impairment of long-lived assets, other than the recording of an impairment of certain operating lease right-of-use assets in the amount of $0.4 million. During the nine months ended September 30, 2021, the Company recorded impairments of $9.4 million on its operating lease right of use assets primarily related to exiting certain lease space as the Company regularly evaluates its office space requirements in light of more of its workforce working from home as part of a permanent “remote” or “partial remote” work model. The impairment is presented in general and administrative expense on the Condensed Consolidated Statement of Operations.

The Company classifies its long-lived assets to be sold as held for sale in the period (i) it has approved and committed to a plan to sell the asset, (ii) the asset is available for immediate sale in its present condition, (iii) an active program to locate a buyer and other actions required to sell the asset have been initiated, (iv) the sale of the asset is probable and the transfer is expected to qualify for recognition as a sale within one year, (v) the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and (vi) it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. The Company initially measures a long-lived asset that is classified as held for sale at the lower of its carrying value or fair value less any costs to sell. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met. Conversely, gains are not recognized on the sale of a long-lived asset until the date of sale. Upon designation as an asset held for sale, the Company stops recording depreciation expense on the asset. The Company assesses the fair value of a long-lived asset less any costs to sell at each reporting period and until the asset is no longer classified as held for sale.

Business Combinations and Valuation of Goodwill and Intangible Assets

The Company applies the acquisition method of accounting for business combinations in accordance with GAAP and uses estimates and judgments to allocate the purchase price paid for acquisitions to the fair value of the assets, including identifiable intangible assets and liabilities acquired. Such estimates may be based on significant unobservable inputs and assumptions such as, but not limited to, future revenue growth rates, gross and operating margins, customer attrition rates, royalty rates, discount rates and terminal growth rate assumptions. The Company uses established valuation techniques and may engage reputable valuation specialists to assist with the valuations. Management’s estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Fair values are subject to refinement for up to one year after the closing date of an acquisition as information relative to closing date fair values becomes available. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in a business combination. Intangible assets resulting from the acquisitions of entities accounted for using the acquisition method of accounting are recorded at the estimated fair value of the assets acquired. Identifiable intangible assets are comprised of purchased customer relationships, trademarks and trade names, developed technologies and other intangible assets. Intangible assets subject to amortization are amortized over the period of estimated economic benefit ranging from one to twenty years and are included in general and administrative expenses on the Condensed Consolidated Statements of Operations. The Company evaluates its goodwill and indefinite-lived intangible assets for impairment pursuant to ASC Topic No. 350, Intangibles - Goodwill and Other (“ASC 350”), which provides that goodwill and other intangible assets with indefinite lives are not amortized but tested annually for impairment or more frequently if the Company believes indicators of impairment exist. In connection with the annual impairment test for goodwill, the Company has the option to perform a qualitative assessment in determining whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Company determines that it was more likely than not that the fair value of the reporting unit is less than its carrying amount, it then it performs an impairment test of goodwill. The impairment test involves comparing the fair values of the applicable reporting units with their aggregate carrying values, including goodwill. The Company generally determines the fair value of its reporting units using a mix of an income approach and a market approach. If the carrying value of a reporting unit exceeds the reporting unit’s fair value, an impairment loss is recognized for the difference. The Company recorded a goodwill impairment of $27.4 million and zero for the three months ended September 30, 2022 and 2021, respectively, and $27.4 million and $32.6 million for the nine months ended September 30, 2022 and 2021, respectively. Refer to Note 7 - *Goodwill and Intangible Assets* for further details.

Contingent Consideration

Certain of the Company’s acquisition agreements include contingent earn-out arrangements, which are generally based on the achievement of future income thresholds or other metrics. The contingent earn-out arrangements are based upon the Company’s valuations of the acquired companies and reduce the risk of overpaying for acquisitions if the projected financial results are not achieved.

The fair values of these earn-out arrangements are included as part of the purchase price of the acquired companies on their respective acquisition dates. For each transaction, the Company estimates the fair value of contingent earn-out payments as part of the initial purchase price and records the estimated fair value of contingent consideration as a liability on the Condensed Consolidated Balance Sheets. The Company considers several factors when determining that contingent earn-out liabilities are part of the purchase price, including the following: (1) the valuation of our acquisitions is not supported solely by the initial consideration paid, and the contingent earn-out formula is a critical and material component of the valuation approach to determining the purchase price; and (2) the former shareholders of acquired companies that remain as key employees receive compensation other than contingent earn-out payments at a reasonable level compared with the compensation of the Company’s other key employees. The contingent earn-out payments are not affected by employment termination.

The Company measures its contingent earn-out liabilities in connection with acquisitions at fair value on a recurring basis using significant unobservable inputs classified within Level 3 of the fair value hierarchy (see Note 6 - *Fair Value Measurements*). The Company may use various valuation techniques depending on the terms and conditions of the contingent consideration including a Monte-Carlo simulation. This simulation uses a probability distribution for each significant input to produce hundreds or thousands of possible outcomes and the results are analyzed to determine probabilities of different outcomes occurring. Significant increases or decreases to these inputs in isolation would result in a significantly higher or lower liability with a higher liability capped by the contractual maximum of the contingent earn-out obligation. Ultimately, the liability will be equivalent to the amount paid, and the difference between the fair value estimate and amount paid will be recorded in earnings. The amount paid that is less than or equal to the liability on the acquisition date is reflected as cash used in financing activities in our Condensed Consolidated Statements of Cash Flows. Any amount paid in excess of the liability on the acquisition date is reflected as cash used in operating activities.

The Company reviews and re-assesses the estimated fair value of contingent consideration on a quarterly basis, and the updated fair value could be materially different from the initial estimates or prior amounts. Changes in the estimated fair value of its contingent earn-out liabilities and adjustments to the estimated fair value related to changes in all other unobservable inputs are reported in general and administrative expenses on the Condensed Consolidated Statements of Operations.

Income Taxes

The Company's income is subject to taxation in both the U.S. and numerous foreign jurisdictions. Significant judgment is required in evaluating the Company's tax positions and determining its provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. The Company establishes reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. These reserves for tax contingencies are established when the Company believes that certain positions might be challenged despite the Company's belief that its tax return positions are fully supportable. The Company adjusts these reserves in light of changing facts and circumstances, such as the outcome of a tax audit or lapse of a statute of limitations. The provision for income taxes includes the impact of reserve provisions and changes to reserves that are considered appropriate.

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes* ("ASC 740"), which requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax basis of recorded assets and liabilities. ASC 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some or all of the net deferred tax assets will not be realized. The valuation allowance is reviewed quarterly based upon the facts and circumstances known at the time. In assessing this valuation allowance, the Company reviews historical and future expected operating results and other factors, including its recent cumulative earnings experience, expectations of future taxable income by taxing jurisdiction and the carryforward periods available for tax reporting purposes, to determine whether it is more likely than not that deferred tax assets are realizable.

ASC 740 provides guidance on the minimum threshold that an uncertain income tax benefit is required to meet before it can be recognized in the financial statements and applies to all income tax positions taken by a company. ASC 740 contains a two-step approach to recognizing and measuring uncertain income tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. If it is not more likely than not that the benefit will be sustained on its technical merits, no benefit will be recorded. Uncertain income tax positions that relate only to timing of when an item is included on a tax return are considered to have met the recognition threshold. The Company recognizes accrued interest and penalties related to uncertain income tax positions in income tax expense on its Condensed Consolidated Statements of Operations.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law. The IRA included many climate and energy provisions and introduced a 15 percent corporate alternative minimum tax ("CAMT") for taxpayers whose average annual adjusted financial statement income exceeds a certain threshold. The IRA also enacted a one percent excise tax on stock repurchases made by publicly traded U.S. corporations. The CAMT and excise tax on stock repurchases are effective for tax years beginning after December 31, 2022. The Company does not believe that it will be subject to the CAMT as it is expected to be under the threshold of the average annual adjusted financial statement income.

Share-Based Compensation

We account for share-based awards to employees and non-employees in accordance with the provisions of ASC Topic 718, *Compensation - Stock Compensation (“ASC 718”),* which requires compensation cost, measured at the grant date fair value, to be recognized over the employee’s requisite service period using the straight-line method. The measurement of share-based compensation expense is based on several criteria, including but not limited to the valuation model used and associated input factors, such as expected term of the award, stock price volatility, risk free interest rate, dividend rate and award cancellation rate. These inputs are subjective and are determined using management’s judgment. If differences arise between the assumptions used in determining share-based compensation expense and the actual factors, which become known over time, we may change the input factors used in determining future share-based compensation expense. Any such changes could materially impact the results of operations in the period in which the changes are made and in periods thereafter. We estimate the vesting term based upon the historical exercise behavior of our employees.

Earnings Per Common Share (“EPS”)

On January 1, 2022, the Company adopted Accounting Standards Update (“ASU”) 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40) Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity* (“ASU 2020-06”) using the modified retrospective method. Following this adoption, the Company applies the if-converted method for the diluted net income per share calculation of convertible debt instruments. Prior to the adoption, the Company used the treasury stock method when calculating the potential dilutive effect of convertible debt instruments.

Recent Accounting Pronouncements

Recently issued applicable accounting pronouncements not yet adopted

In March 2020, the Financial Accounting Standards Board (“FASB”) issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This update provides for optional financial reporting alternatives to reduce cost and complexities associated with accounting for contracts, hedging relationships, and other transactions affected by reference rate reform. This update applies only to contracts, hedging relationships, and other transactions that reference London Interbank Offer Rate (“LIBOR”) or another reference rate expected to be discontinued because of reference rate reform. The accommodations are available for all entities through December 31, 2022, with early adoption permitted. We are currently evaluating the effect the adoption of this update will have on our condensed consolidated financial statements and related disclosures.

Recently adopted accounting pronouncements

In August 2020, the FASB issued ASU 2020-06 *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40)*. The provisions of this update simplifies the accounting for convertible instruments by removing certain separation models in ASC 470-20, *Debt - Debt with Conversion and Other Options*, for convertible instruments. The convertible debt instruments will be accounted for as a single liability at the amortized cost if separation is no longer required unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Among other potential impacts, this change is expected to reduce reported noncash interest expense, increase reported net income, and result in a reclassification of certain conversion feature balance sheet amounts from stockholders’ equity to liabilities. Similarly, the debt discount, that is equal to the carrying value of the embedded conversion feature upon issuance, will no longer be amortized into income as interest expense over the life of the instrument. Additionally, ASU No. 2020-06 requires the use of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share and include the effect of share settlement for instruments that may be settled in cash or shares, except for certain liability-classified share-based payment awards.

On January 1, 2022, the Company adopted ASU 2020-06 using the modified retrospective method. The cumulative effect of the changes made on the Condensed Consolidated Balance Sheet upon this adoption increased the carrying amount of the 1.75% Convertible Notes (as defined in Note 8 below) by approximately $85.9 million, increased retained earnings by approximately $23.4 million, reduced deferred tax liabilities by approximately $21.2 million and reduced additional paid-in capital by approximately $88.1 million.

In October 2021, the FASB issued Accounting Standards Update ("ASU 2021-08"), Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. This update requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606. This update is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2022, with early adoption permitted, including in interim periods. The Company early adopted ASU 2021-08 during the second quarter of 2022. An entity that early adopts in an interim period should apply the amendments (1) retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early application and (2) prospectively to all business combinations that occur on or after the date of initial application. Therefore, the adoption of ASU 2021-08 was applied retrospectively to January 1, 2022. The adoption of ASU 2021-08 did not have a material impact on our condensed consolidated financial statements and related disclosures.

Reclassifications

Certain prior year reported amounts have been reclassified to conform to the 2022 presentation.

2. Revenues

Digital Media

Digital Media revenues are earned primarily from the delivery of advertising services and from subscriptions to services and information.

Revenue is earned from the delivery of advertising services on websites that are owned and operated by us and on those websites that are part of Digital Media's advertising network. Depending on the individual contracts with the customer, revenue for these services is recognized over the contract period when any of the following performance obligations are satisfied: (i) when an advertisement is placed for viewing, (ii) when a qualified sales lead is delivered, (iii) when a visitor "clicks through" on an advertisement or (iv) when commissions are earned upon the sale of an advertised product.

Revenue from subscriptions is earned through the granting of access to, or delivery of, data products or services to customers. Subscriptions cover video games and related content, health information, data and other copyrighted material. Revenues under such agreements are recognized over the contract term for use of the service. Revenues are also earned from listing fees, subscriptions to online publications, and from other sources. Subscription revenues are recognized over time.

We also generate Digital Media subscription revenues through the license of certain assets to clients. Assets are licensed for clients' use in their own promotional materials or otherwise and may include logos, editorial reviews, or other copyrighted material. Revenues under such license agreements are recognized over the contract term for use of the asset. In instances when technology assets are licensed to our clients, revenues from the license of these assets are recognized over the term of the access period.

The Digital Media business also generates revenue from other sources which include marketing and production services. Such other revenues are generally recognized over the period in which the products or services are delivered.

We also generate Digital Media revenues from transactions involving the sale of perpetual software licenses, related software support and maintenance, hardware used in conjunction with its software, and other related services. Revenue is recognized for these software transactions with multiple performance obligations after (i) the contract has been approved and we are committed to perform the respective obligations and (ii) we can identify and quantify each obligation and its respective selling price. Once the respective performance obligations have been identified and quantified, revenue will be recognized when the obligations are met, either over time or at a point in time depending on the nature of the obligation.

Revenues from software license performance obligations are generally recognized upfront at the point in time that the software is made available to the customer to download and use. Revenues for related software support and maintenance performance obligations are related to technical support provided to customers as needed and unspecified software product upgrades, maintenance releases and patches during the term of the support period when they are available. We are obligated to make the support services available continuously throughout the contract period. Therefore, revenues for support contracts are generally recognized ratably over the contractual period the support services are provided. Hardware product and related software performance obligations, such as an operating system or firmware, are highly interdependent and interrelated and are accounted for as a bundled performance obligation. The revenues for this bundled performance obligation are generally recognized at the point in time that the hardware and software products are delivered and ownership is transferred to the customer. Other service revenues are generally recognized over time as the services are performed.

The Company records revenue on a gross basis with respect to revenue generated (i) by the Company serving online display and video advertising across its owned and operated web properties, on third-party sites or on unaffiliated advertising networks; (ii) through the Company's lead-generation business; and (iii) through the Company's subscriptions. The Company records revenue on a net basis with respect to revenue paid to the Company by certain third-party advertising networks who serve online display and video advertising across the Company's owned-and-operated web properties and certain third-party sites.

Cybersecurity and Martech

The Company's Cybersecurity and Martech revenues substantially consist of subscription revenues which include subscription, usage-based and licensing fees, a significant portion of which are paid in advance. The Company defers the portions of monthly, quarterly, semi-annual and annual fees collected in advance of the satisfaction of performance obligations and recognizes them in the period earned.

Along with its numerous proprietary Cybersecurity and Martech solutions, the Company also generates subscription revenues by reselling various third-party solutions, primarily through its email security line of business. These third-party solutions, along with the Company's proprietary products, allow it to offer customers a variety of solutions to better meet the customer's needs. The Company records revenue on a gross basis with respect to reseller revenue because the Company has control of the specified good or service prior to transferring control to the customer.

Revenues from external customers classified by revenue source are as follows (in thousands). See Note 14 - *Segment Information* for additional information.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Digital Media				
Advertising	$ 186,921	$ 198,794	$ 546,186	$ 574,465
Subscription	64,780	52,010	179,257	145,935
Other	12,195	11,625	31,980	22,880
Total Digital Media revenues	$ 263,896	$ 262,429	$ 757,423	$ 743,280
Cybersecurity and Martech				
Subscription	$ 78,192	$ 93,071	$ 237,596	$ 265,580
Total Cybersecurity and Martech revenues	$ 78,192	$ 93,071	$ 237,596	$ 265,580
Elimination of inter-segment revenues	(215)	(356)	(722)	(766)
Total Revenues	$ 341,873	$ 355,144	$ 994,297	$ 1,008,094
Timing of revenue recognition				
Point in time	$ 14,417	$ 13,607	$ 32,602	$ 30,669
Over time	327,456	341,537	961,695	977,425
Total	$ 341,873	$ 355,144	$ 994,297	$ 1,008,094

The Company has recorded $32.2 million and $27.7 million of revenue for the three months ended September 30, 2022 and 2021, respectively, and $154.9 million and $140.4 million of revenue for the nine months ended September 30, 2022 and 2021, respectively, which was previously included in the deferred revenue balance as of the beginning of each respective year.

As of September 30, 2022 and December 31, 2021, the Company acquired $21.3 million and $9.5 million respectively, of deferred revenue in connection with the Company's business acquisitions, which are subject to purchase accounting adjustments, as appropriate. Refer to Note 3 - *Business Acquisitions* for details.

Performance Obligations

We are often a party to multiple concurrent contracts with the same customer, or a party related to that customer. These situations require judgment to determine if those arrangements should be accounted for as a single contract. Consideration of both the form and the substance of the arrangement is required. The Company's contracts with customers may include multiple performance obligations, including complex contracts when advertising and licensing services are sold together.

We determine the transaction price based on the amount to which we expect to be entitled in exchange for services provided. We include any fixed consideration within our contracts as part of the total transaction price. Our contracts occasionally contain some component of variable consideration, which is often immaterial and estimated. We do not include taxes assessed by a governmental authority that are (i) both imposed on and concurrent with a specific revenue-producing transaction and (ii) collected by us from the customer. The transaction price is allocated to each performance obligation based on its relative standalone selling price, which is determined at contract inception. In these instances, the Company determines its standalone selling prices based on the prices at which the Company separately sells each service.

The Company satisfies its performance obligations within the Digital Media business upon delivery of services to its customers. In addition, the Company provides content to its advertising partners which the Company sells to its partners' customer base and receives a revenue share based on the terms of the agreement.

The Company satisfies its performance obligations within the Cybersecurity and Martech business upon delivery of services to its customers. Payment terms vary by type and location of our customers and the services offered. The time between invoicing and when payment is due is not significant. Due to the nature of the services provided, there are no obligations for returns.

Significant Judgments

Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Judgment is also required to determine the standalone selling price for each distinct performance obligation.

Performance Obligations Satisfied Over Time

Our Digital Media business consists primarily of performance obligations that are satisfied over time. This was determined based on a review of the contracts and the nature of the services offered, where the customer simultaneously receives and consumes the benefit of the services provided. Satisfaction of these performance obligations is evidenced in the following ways:

Advertising

- Website reporting by the Company, the customer, or a third-party contains the delivery evidence needed to satisfy the performance obligations within the advertising contract
- Successfully delivered leads are evidenced by either delivery reports from the Company's internal lead management systems or through e-mail communication and/or other evidence of delivery showing acceptance of leads by the customer
- Commission is evidenced by direct site reporting from the affiliate or via direct confirmation from the customer

Subscription

- Evidence of delivery is contained in the Company's systems or from correspondence with the customer which tracks when a customer accepts delivery of any assets, digital keys or download links

Revenue is recognized based on delivery of services over the contract period for advertising and on a straight-line basis over the contract period for subscriptions. We believe that the methods described are a faithful depiction of the transfer of goods and services.

Our Cybersecurity and Martech business consists primarily of performance obligations that are satisfied over time. This has been determined based on the fact that the nature of services offered are subscription based where the customer simultaneously receives and consumes the benefit of the services provided regardless of whether the customer uses the services or not. Depending on the individual contracts with the customer, revenue for these services are recognized over the contract period when any of the following materially distinct performance obligations are satisfied:

- Voice, email marketing and search engine optimization as services are delivered
- Consumer privacy services and data backup capabilities are provided
- Security solutions, including email and endpoint are provided
- Faxing capabilities are provided (included in discontinued operations through October 7, 2021)

The Company has concluded the best measure of progress toward the complete satisfaction of the performance obligation over time is a time-based measure. The Company recognizes revenue on a straight-line basis throughout the subscription period, or as usage occurs, and believes that the method used is a faithful depiction of the transfer of goods and services.

Performance Obligations Satisfied at a Point in Time

The Company's Digital Media business has technology subscriptions that have standalone functionality. As a result, they are considered to be functional intellectual property where the performance obligations are satisfied at a point in time. This is evidenced once a digital key is delivered to the customer. Once the key is delivered to the customer, the customer has full control of the technology and the Company has no further performance obligations. The Company has concluded that revenue is recognized once the digital key is delivered. The Company believes that this method is a faithful depiction of the transfer of goods and services.

Transaction Price Allocation to Future Performance Obligations

As of September 30, 2022, the aggregate amount of transaction price that is allocated to our performance obligations was approximately $24.0 million and is expected to be recognized as follows: 20% by December 31, 2022, 78% by December 31, 2023 and the rest thereafter. The amount disclosed does not include revenues related to performance obligations that are part of a contract with original expected duration of 12 months or less or portions of the contract that remain subject to cancellations.

3. Business Acquisitions

The Company uses acquisitions as a strategy to grow its customer base by increasing its presence in new and existing markets, expand and diversify its service offerings, enhance its technology, and acquire skilled personnel.

2022 Acquisitions

The Company completed the following acquisitions during the nine months ended September 30, 2022, paying the purchase price in cash in each transaction: (a) a share purchase of Lifecycle Marketing Group Limited, acquired on January 21, 2022, a United Kingdom-based portfolio of pregnancy and parenting brands, including Emma's Diary and Health Professional Academy, reported within our Digital Media segment; (b) a share purchase of FitNow, Inc, acquired on June 2, 2022, a Massachusetts-based provider of weight loss products and support, reported within our Digital Media segment; and (c) four immaterial Digital Media acquisitions.

The Condensed Consolidated Statement of Operations since the date of each acquisition and the Condensed Consolidated Balance Sheets as of September 30, 2022, reflect the results of operations of all 2022 acquisitions. For the nine months ended September 30, 2022, these acquisitions contributed $19.6 million to the Company's revenues. Net income contributed by these acquisitions was not separately identifiable due to the Company's integration activities and is impracticable to provide. Total consideration for these transactions was $121.7 million net of cash acquired and assumed liabilities and is subject to certain post-closing adjustments which may increase or decrease the final consideration paid.

The following table summarizes the preliminary allocation of the purchase consideration for all 2022 acquisitions as of September 30, 2022 (in thousands):

Assets and Liabilities	**Valuation**
Accounts receivable	$ 7,433
Prepaid expenses and other current assets	4,915
Property and equipment	369
Operating lease right-of-use assets, noncurrent	546
Trade names	12,838
Customer relationship	20,540
Goodwill	93,827
Other intangibles	18,165
Other long-term assets	11
Accounts payable and accrued expenses	(4,656)
Deferred revenue	(21,332)
Deferred tax liability	(10,436)
Other long-term liabilities	(516)
Total	$ 121,704

The initial accounting for all of the 2022 acquisitions is incomplete due to timing of available information and is subject to change. The Company has recorded provisional amounts which may be based upon past acquisitions with similar attributes for certain intangible assets (including trade names, software and customer relationships), preliminary acquisition date working capital and related tax items.

The fair value of the assets acquired includes accounts receivable of $7.4 million, of which none is expected to be uncollectible. The Company did not acquire any other classes of receivables as a result of its acquisitions.

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired and represents intangible assets that do not qualify for separate recognition. Goodwill recognized associated with these acquisitions during the nine months ended September 30, 2022 was $93.8 million, of which $1.2 million is expected to be deductible for income tax purposes.

During the nine months ended September 30, 2022, the purchase price accounting has been finalized for the following 2021 acquisitions: DailyOM, SEOmoz, Solutelia, LLC, Arthur L. Davis Publishing and two other immaterial Digital Media acquired businesses. During the nine months ended September 30, 2022, the Company also recorded adjustments to the initial working capital and to the purchase accounting of certain other prior period acquisitions due to the finalization of prior period acquisitions in the Digital Media business. These measurement period adjustments resulted in a net increase in goodwill of $4.9 million, which included a $3.2 million increase in connection with the unfavorable contract liability for an acquired contract. The unfavorable contract liability is expected to be accreted over 4 years. In addition, the Company recorded adjustments to the initial working capital and to the purchase accounting of certain prior period acquisitions due to the finalization of prior period acquisitions in the Cybersecurity and Martech businesses which resulted in a net decrease in goodwill of $0.1 million. Such adjustments had an immaterial impact on the amortization expense within the Condensed Consolidated Statement of Operations for the nine months ended September 30, 2022. Refer to Note 7 - *Goodwill and Intangible Assets* for additional information.

Unaudited Pro Forma Financial Information for All 2022 Acquisitions

The following unaudited pro forma information is not necessarily indicative of the Company's consolidated results of operations in future periods or the results that actually would have been realized had the Company and the acquired businesses been combined companies during the periods presented. These pro forma results are estimates and exclude any savings or synergies that would have resulted from these business acquisitions had they occurred on January 1, 2021. This unaudited pro forma supplemental information includes incremental intangible asset amortization and other charges as a result of the acquisitions, net of the related tax effects.

The supplemental information on an unaudited pro forma financial basis presents the combined results of the Company and its 2022 acquisitions as if each acquisition had occurred on January 1, 2021 (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues	$ 342,173	$ 366,258	$ 1,010,600	$ 1,041,436
Net income (loss) from continuing operations	$ 18,120	$ 4,925	$ (3,801)	$ 23,369
Income (loss) per common share from continuing operations - Basic	$ 0.39	$ 0.11	$ (0.08)	$ 0.52
Income (loss) per common share from continuing operations - Diluted	$ 0.39	$ 0.10	$ (0.08)	$ 0.49

2021 Acquisitions

The Company completed the following acquisitions during the nine months ended September 30, 2021, paying the purchase price in cash in each transaction: (a) an asset purchase of DailyOM, acquired on April 30, 2021, a California-based-based provider of health and wellness digital media, content and learning business; (b) a share purchase of SEOmoz, acquired on June 4, 2021, a Seattle-based provider of search engine optimization (“SEO”) solutions; (c) an asset purchase of Solutelia, LLC, acquired on July 15, 2021, a Colorado-based on-demand wireless telecommunications network monitoring and analysis, testing and optimization software business and related wireless telecommunications engineering services business; (d) a stock purchase of Arthur L. Davis Publishing, acquired on September 23, 2021, an Iowa-based digital nursing publication; and (e) three immaterial Digital Media acquisitions.

The Condensed Consolidated Statement of Operations since the date of each acquisition and balance sheet as of September 30, 2021, reflect the results of operations of all 2021 acquisitions. For the nine months ended September 30, 2021, these acquisitions contributed $21.3 million to the Company’s revenues. Net income from continuing operations contributed by these acquisitions was not separately identifiable due to the Company’s integration activities and is impracticable to provide. Total consideration for these transactions was $134.3 million, net of cash acquired and assumed liabilities.

The following table summarizes the allocation of the purchase consideration for all 2021 acquisitions as of September 30, 2021, including individually material acquisitions noted separately (in thousands):

Assets and Liabilities		**Valuation**
Accounts receivable	$	4,577
Prepaid expenses and other current assets		2,585
Property and equipment		1,838
Operating lease right-of-use assets, noncurrent		5,888
Trade names		11,118
Customer relationship		13,396
Goodwill		84,019
Other intangibles		34,378
Other long-term assets		62
Deferred tax asset		231
Accounts payables and accrued expenses		(2,891)
Deferred revenue		(7,806)
Operating lease liabilities, current		(7,191)
Other current liabilities		(14)
Deferred tax liability		(4,122)
Other long-term liabilities		(1,726)
Total	$	134,342

Unaudited Pro Forma Financial Information for All 2021 Acquisitions

The following unaudited pro forma information is not necessarily indicative of the Company's consolidated results of income in future periods or the results that actually would have been realized had the Company and the acquired businesses been combined companies during the periods presented. These pro forma results are estimates and exclude any savings or synergies that would have resulted from these business acquisitions had they occurred on January 1, 2020. This unaudited pro forma supplemental information includes incremental intangible asset amortization and other charges as a result of the acquisitions, net of the related tax effects.

The supplemental information on an unaudited pro forma financial basis presents the combined results of the Company and its acquisitions during the three months and nine months ended September 30, 2021 as if each acquisition had occurred on January 1, 2020 (in thousands, except per share amounts):

	Three Months Ended September 30, 2021		**Nine months ended September 30, 2021**	
	(unaudited)		(unaudited)	
Revenues	$	374,202	$	1,045,184
Net income from continuing operations	$	6,886	$	25,490
Income per common share from continuing operations - Basic	$	0.15	$	0.56
Income per common share from continuing operations - Diluted	$	0.14	$	0.54

SEOmoz Acquisition

On June 4, 2021, the Company acquired all the outstanding issued capital of SEOmoz at a purchase consideration of $67.0 million, net of cash acquired and assumed liabilities. SEOmoz is a provider of search engine optimization ("SEO") solutions. The Consolidated Statement of Operations since the date of acquisition and balance sheet as of December 31, 2021, reflect the results of operations of SEOmoz. For the nine months ended September 30, 2021, SEOmoz contributed $14.4 million to the Company's revenues. Net income from continuing operations contributed by SEOmoz since the acquisition date was not separately identifiable due to the Company's integration activities and is impracticable to provide.

The following table summarizes the allocation of the purchase consideration for the SEOmoz acquisition (in thousands):

Assets and Liabilities	**Valuation**
Accounts receivable	$ 3,278
Prepaid expenses and other current assets	2,512
Property and equipment	1,838
Operating lease right of use asset	5,888
Trade names	7,200
Customer relationships	5,000
Goodwill	41,192
Other intangibles	21,607
Other long-term assets	62
Accounts payables and accrued expenses	(2,421)
Other current liabilities	(14)
Deferred revenue	(7,048)
Operating lease liabilities, current	(7,191)
Deferred tax liability	(4,122)
Other long-term liabilities	(785)
Total	$ 66,996

The fair value of the assets acquired includes accounts receivable of $3.3 million. The gross amount due under contracts is $3.6 million, of which $0.3 million is expected to be uncollectible. The Company did not acquire any other classes of receivables as a result of its acquisitions.

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired and represents intangible assets that do not qualify for separate recognition. Goodwill recognized in connection with this acquisition during the year ended December 31, 2021 is $41.2 million of which zero is expected to be deductible for income tax purposes.

Unaudited Pro Forma Financial Information for SEOmoz Acquisition

The following unaudited pro forma information is not necessarily indicative of the Company's consolidated results of operations in future periods or the results that actually would have been realized had the Company and the acquired business been combined companies during the periods presented. These pro forma results are estimates and exclude any savings or synergies that would have resulted from this business acquisition had it occurred on January 1, 2020. This unaudited pro forma supplemental information includes incremental intangible asset amortization and other charges as a result of the SEOmoz acquisition, net of the related tax effects.

The supplemental information on an unaudited pro forma financial basis presents the combined results of the Company and SEOmoz as if the acquisition had occurred on January 1, 2020 (in thousands, except per share amounts):

	Three Months Ended September 30, 2021	**Nine months ended September 30, 2021**
	(unaudited)	(unaudited)
Revenues	$ 367,414	$ 1,028,545
Net income from continuing operations	$ 6,610	$ 24,030
Income per common share from continuing operations - Basic	$ 0.14	$ 0.53
Income per common share from continuing operations - Diluted	$ 0.14	$ 0.51

4. Investments

Investments consist of equity and debt securities. There were no investments in an unrealized loss position as of September 30, 2022 and December 31, 2021.

Investment in equity securities

Investment in Consensus

Investment in equity securities consists of publicly traded common stock of Consensus. During the three and nine months ended September 30, 2022, the Company completed the non-cash debt-for-equity exchanges of 500,000 shares and 2,800,000 shares, respectively, of its Investment in Consensus for the extinguishment of $22.3 million and $112.3 million, respectively, of principal of the Company's Term Loan Facilities, and related interest.

Gains (losses) on equity securities recognized in 'Unrealized gain (loss) on short-term investments held at the reporting date' consisted of the following (in thousands):

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Net gains (losses) during the period	$ 4,672	$ (61,937)
Less: gains (losses) on securities sold during the period	471	(47,772)
Unrealized gains (losses) recognized during the period on equity securities held at the reporting date	$ 4,201	$ (14,165)

As of September 30, 2022, the Company holds approximately 1.2 million shares of the common stock of Consensus.

Other investment

During the second quarter of 2021, the Company recorded a $16.7 million impairment loss on certain equity securities related to a decline in value due to a pending sales transaction of an investee. The Company was not expected to recover the recorded cost of these securities and thus reduced such amount to what the Company expected to receive as a result of the sale. The Company subsequently sold these equity securities during fiscal year 2021.

Investment in corporate debt securities

On April 12, 2022, the Company entered into an agreement with an entity to acquire 4% convertible notes with an aggregate value of $15.0 million, which upon conversion would represent an equity interest equal to at least 3%, on a fully converted basis, of the entity that issued the notes.

This investment is included in 'Long-term investments, net' in our Condensed Consolidated Balance Sheets and is classified as available-for-sale and initially measured at its transaction price and subsequently remeasured at fair value, with unrealized gains and losses reported as a component of other comprehensive income.

The table below summarizes the carrying value and the maximum exposure of Company's investment in corporate debt securities as of September 30, 2022 (in thousands):

	September 30, 2022	
	Carrying value	Maximum exposure
Investment in corporate debt securities	$ 15,000	$ 15,000

The Company's maximum exposure to loss is limited to its proportional ownership in the investee. In addition, the Company is not required to contribute capital in an aggregate amount in excess of its capital commitment.

The following table summarizes the gross unrealized gains and losses and fair values for investments classified as available-for-sale, with the unrealized gains and losses reported as a component of other comprehensive income (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
September 30, 2022				
Investment in corporate debt securities	$ 15,000	$ —	$ —	$ 15,000
Total	$ 15,000	$ —	$ —	$ 15,000

The following table summarizes the Company's corporate debt securities designated as available-for-sale, classified by the contractual maturity date of the security (in thousands):

	September 30, 2022	December 31, 2021
Due within 1 year	$ —	$ —
Due within more than 1 year but less than 5 years	15,000	—
Due within more than 5 years but less than 10 years	—	—
Due 10 years or after	—	—
Total	$ 15,000	$ —

Equity method investment

On September 25, 2017, the Company entered into a commitment to invest $200 million (approximately 76.6% of equity) in an investment fund (the "Fund"). The primary purpose of the Fund is to provide a limited number of select investors with the opportunity to realize long-term appreciation from public and private companies, with a particular focus on the technology and life science industries. The general activities of the Fund is to buy, sell, hold and otherwise invest in securities of every kind and nature and rights and options with respect thereto, including, without limitation, stock, notes, bonds, debentures and evidence of indebtedness; to exercise all rights, powers, privileges and other incidents of ownership or possession with respect to securities held or owned by the Fund; to enter into, make and perform all contracts and other undertakings; and to engage in all activities and transactions as may be necessary, advisable or desirable to carry out the foregoing.

The manager, OCV Management, LLC, and general partner of the Fund are entities with respect to which Richard S. Ressler, former Chairman of the Board of Directors (the "Board") of the Company, is indirectly the majority equity holder. Mr. Ressler's tenure with the Board ended as of May 10, 2022. As a limited partner in the Fund, prior to the settlement of certain litigation generally related to the Company's investment in the Fund in January 2022, the Company paid an annual management fee to the manager equal to 2.0% of capital commitments. In addition, subject to the terms and conditions of the Fund's limited partnership agreement, once the Company has received distributions equal to its invested capital, the Fund's general partner would be entitled to a carried interest equal to 20%. The Fund has a six year investment period, subject to certain exceptions. The commitment was approved by the Audit Committee of the Board in accordance with the Company's related-party transaction approval policy. At the time of the settlement of the litigation (see Note 9 – *Commitments and Contingencies*), the Company had invested approximately $128.8 million in the Fund. In connection with the settlement of the litigation, among other terms, no further capital calls will be made in connection with the Company's investment in the Fund, nor will any management fees be paid by the Company to the manager. As such, during the nine months ended September 30, 2022, the Company received no capital call notices from the manager of the Fund. During the nine months ended September 30, 2021, the Company received capital call notices from the manager of the Fund for $21.2 million, inclusive of certain management fees. Approximately $21.2 million was paid for capital call notices during the nine months ended September 30, 2021. During both the nine months ended September 30, 2022 and 2021, the Company received no distributions from OCV.

The Company recognizes its equity in the net earnings or losses relating to the investment in OCV on a one-quarter lag (including management fees) due to the timing and availability of financial information from OCV. If the Company becomes aware of a significant decline in value that is other-than-temporary, the loss will be recorded in the period in which the Company identifies the decline. During the three months ended September 30, 2022 and 2021, the Company recognized an investment loss of $3.2 million and $1.9 million, net of tax benefit, respectively. During the nine months ended September 30, 2022 and 2021, the Company recognized an investment (loss) gain of $(10.1) million and $16.6 million, net of tax benefit (expense), respectively. The gains and losses were primarily the result of gains and losses in the underlying investments. During the three months ended September 30, 2022, the Company recognized no expense for management fees, and during three months ended September 30, 2021, the Company recognized expense for management fees of $0.8 million, net of tax benefit. During the nine months ended September 30, 2022 and 2021, the Company recognized expense for management fees of $1.5 million and $2.3 million, net of tax benefit, respectively.

The following table discloses the carrying amount for the Company's equity method investment (in thousands). These equity securities are included within 'Long-term investments' in the Condensed Consolidated Balance Sheets.

	September 30, 2022	December 31, 2021
Equity securities	$ 109,228	$ 122,593
Maximum exposure to loss	$ 109,228	$ 122,593

As a limited partner, the Company's maximum exposure to loss is limited to its proportional ownership in the partnership. In addition, the Company is not required to contribute capital in an aggregate amount in excess of its capital commitment and any expected losses will not be in excess of the Capital Account. Finally, there are no call or put options, or other types of arrangements, which limit the Company's ability to participate in losses and returns of the Fund.

5. Discontinued Operations and Dispositions

Consensus Spin-off

As further described in Note 1 - *Basis of Presentation and Overview*, on October 7, 2021, the Separation of the cloud fax business was completed. The accounting requirements for reporting the Company's cloud fax business as a discontinued operation were met when the Separation was completed as the Separation constituted a strategic shift that would have a major effect on the Company's operations and financial results. Accordingly, the Condensed Consolidated Financial Statements reflect the results of the cloud fax business as a discontinued operation for the three and nine months ended September 30, 2021. The Condensed Consolidated Statements of Operations report discontinued operations separate from continuing operations. The Condensed Consolidated Statements of Comprehensive (Loss) Income, Condensed Consolidated Statements of Cash Flows (including Note 15 - *Supplemental Cash Flow Information*), and Condensed Consolidated Statements of Stockholders' Equity combine continuing and discontinued operations.

The key components of cash flows from discontinued operations were as follows (in thousands):

	Nine Months Ended September 30, 2021
Capital expenditures	$ 15,252
Depreciation and amortization	$ 8,941
Deferred taxes	$ 5,306

In connection with the Separation, Ziff Davis and Consensus entered into several agreements that govern the relationship of the parties following the Separation, which are further discussed in Note 17 - *Related Party Transactions*. Further, certain of the Company's management and members of its board of directors resigned from the Company as of the date of distribution and joined Consensus. In addition, one of the Company's members of senior management as of September 30, 2022 has served on the board of directors of Consensus since the date of distribution.

The key components of income from discontinued operations were as follows (in thousands):

	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Revenues	$ 89,107	$ 263,386
Cost of revenues	(14,605)	(43,129)
Sales and marketing	(13,116)	(40,032)
Research, development and engineering	(2,019)	(5,635)
General and administrative	(8,237)	(20,262)
Interest expense and other	(3,818)	(4,017)
Income before income taxes	47,312	150,311
Income tax expense	(11,512)	(36,606)
Income from discontinued operations, net of income taxes	$ 35,800	$ 113,705

B2B Back-up and Voice Asset Sales

The Company completed the following dispositions that did not meet the criteria for discontinued operations.

During the first quarter of 2021, the Company committed to a plan to sell certain Voice assets in the United Kingdom as they were determined to be non-core assets. Such assets were recorded within the Cybersecurity and Martech reportable segment. On February 9, 2021, in a cash transaction, the Company sold the Voice assets. The total gain recognized on the sale of these Voice assets was $2.8 million which was recorded in loss on sale of businesses on the Condensed Consolidated Statement of Operations in the nine months ended September 30, 2021.

During the first quarter of 2021, the Company committed to a plan to sell its B2B Backup business as it was determined to be a non-core business. The B2B Backup business met the held for sale criteria, and accordingly, the assets and liabilities were presented as held for sale on the Consolidated Statement Balance Sheets at March 31, 2021 and June 30, 2021. The business is recorded within the Cybersecurity and Martech reportable segment. During the second quarter of 2021, the Company received an offer to purchase the B2B Backup business and management determined that the fair value of the business less cost to sell was lower than its carrying amount. As a result, the Company recorded an impairment to goodwill of $32.6 million during the second quarter of 2021, which was recorded in impairment of business on the Consolidated Statement of Operations (see Note 7 - *Goodwill and Intangible Assets*). On September 17, 2021, in a cash transaction, the Company sold the B2B Backup business. The total loss recognized on the sale of the B2B Backup business was $24.6 million which was recorded in loss on sale of businesses on the Condensed Consolidated Statement of Operations in the three and nine months ended September 30, 2021.

6. Fair Value Measurements

The Company complies with the provisions of ASC 820, which defines fair value, provides a framework for measuring fair value and expands the disclosures required for fair value measurements of financial and non-financial assets and liabilities. ASC 820 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or a liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value.

- Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Company's money market funds are classified within Level 1. The Company values these Level 1 investments using quoted market prices. The fair value of long-term debt is determined using recent quoted market prices or dealer quotes for each of the Company's instruments, which are Level 1 inputs. The fair value of the Company's debt instruments was approximately $0.9 billion and $1.3 billion, as of September 30, 2022 and December 31, 2021, respectively (see Note 8 - *Debt*).

The Retained Consensus Shares are equity securities for which the Company elected the fair value option, and the fair value of the Retained Consensus Shares and subsequent fair value changes are included in our assets of and results from continuing operations, respectively. As of September 30, 2022 and December 31, 2021, the Company's investment in Consensus common stock was remeasured at fair value based on Consensus' closing stock price with a balance of $54.9 million and $229.2 million included on the Condensed Consolidated Balance Sheets, respectively. Unrealized gain (loss) of $4.2 million and $(14.2) million were recorded on the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2022, respectively. The fair value of the investment in Consensus is determined using quoted market prices, which is a Level 1 input.

The fair value of our 4.625% Senior Notes (as defined in Note 8 - *Debt*) was determined using quoted market prices or dealer quotes for instruments with similar maturities and other terms and credit ratings, which are Level 1 inputs. The fair value of the Credit Facility (as defined in Note 8 - *Debt*) approximated its carrying amount due to its variable interest rate, which approximated a market interest rate, and was considered a Level 2 input.

The investment in corporate debt securities is measured at fair value on our Condensed Consolidated Balance Sheets. Unrealized gains and losses are reported in other comprehensive income until realized. Corporate debt securities do not have a readily determinable fair value because acquired securities are privately held, not traded on any public exchanges and not an investment in a mutual fund or similar investment. The investment in corporate debt securities is classified as available-for-sale and is initially measured at its transaction price. The fair value of the corporate debt securities is determined primarily based in significant estimates and assumptions, including Level 3 inputs. As of September 30, 2022, the fair value of our investment in corporate debt securities approximates its carrying value due to close proximity of the date of the investment to the reporting date. Refer to Note 4 - *Investments* for additional information.

The Company classifies its contingent consideration liability in connection with acquisitions within Level 3 because factors used to develop the estimated fair value are unobservable inputs, such as volatility and market risks, and are not supported by market activity. The valuation approaches used to value Level 3 investments considers unobservable inputs in the market such as time to liquidity, volatility, dividend yield, and breakpoints. Significant increases or decreases in either of the inputs in isolation would result in a significantly lower or higher fair value measurement.

The following tables present the fair values of the Company's financial assets or liabilities (in thousands):

September 30, 2022	**Level 1**	**Level 2**	**Level 3**	**Fair Value**	**Carrying Value**
Assets:					
Cash equivalents:					
Money market and other funds	$ 170,574	$ —	$ —	$ 170,574	$ 170,574
Investment in corporate debt securities	—	—	15,000	15,000	15,000
Investment in Consensus	54,897	—	—	54,897	54,897
Total assets measured at fair value	$ 225,471	$ —	$ 15,000	$ 240,471	$ 240,471
Liabilities:					
Contingent consideration	$ —	$ —	$ 1,106	$ 1,106	$ 1,106
Debt	891,852	—	—	891,852	998,499
Total liabilities measured at fair value	$ 891,852	$ —	$ 1,106	$ 892,958	$ 999,605

December 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Fair Value**	**Carrying Value**
Assets:					
Cash equivalents:					
Money market and other funds	$ 144,255	$ —	$ —	$ 144,255	$ 144,255
Investment in Consensus	229,200	—	—	229,200	229,200
Total assets measured at fair value	$ 373,455	$ —	$ —	$ 373,455	$ 373,455
Liabilities:					
Contingent consideration	$ —	$ —	$ 5,775	$ 5,775	$ 5,775
Debt	1,345,311	—	—	1,345,311	1,090,627
Total liabilities measured at fair value	$ 1,345,311	$ —	$ 5,775	$ 1,351,086	$ 1,096,402

At the end of each reporting period, management reviews the inputs to the fair value measurements of financial and non-financial assets and liabilities to determine when transfers between levels are deemed to have occurred. For the nine months ended September 30, 2022 and 2021, there were no transfers that occurred between levels.

The following table presents a reconciliation of the Company's Level 3 financial assets related to our investment in corporate debt securities that are measured at fair value on a recurring basis (in thousands):

	Level 3	Affected line item in the Statement of Operations
Balance as of January 1, 2022	$ —	
Investment in corporate debt securities	15,000	Not applicable
Balance as of September 30, 2022	$ 15,000	

The following table presents a reconciliation of the Company's Level 3 financial liabilities related to contingent consideration that are measured at fair value on a recurring basis (in thousands):

	Level 3	Affected line item in the Statement of Operations
Balance as of January 1, 2022	$ 5,775	
Contingent consideration	555	
Total fair value adjustments reported in earnings	(2,305)	General and administrative
Contingent consideration payments	(2,919)	Not applicable
Balance as of September 30, 2022	$ 1,106	

In connection with the Company's other acquisition activity, contingent consideration of up to $1.1 million may be payable upon achieving certain future earnings before interest, taxes, depreciation and amortization (EBITDA), revenue, and/or unique visitor thresholds and had a combined fair value of $1.1 million and $5.8 million at September 30, 2022 and December 31, 2021, respectively. Due to the achievement of certain thresholds, $2.9 million and $5.8 million was paid during the nine months ended September 30, 2022 and 2021, respectively.

The Company's non-financial assets, such as goodwill, intangible assets, right-of-use assets and property, plant and equipment, are adjusted to fair value only when an impairment is recognized. See Note 7 - *Goodwill and Intangible Assets* for further information. Such fair value measurements are based predominately on Level 3 inputs. See Note 7 - *Goodwill and Intangible Assets* for further information.

7. Goodwill and Intangible Assets

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in a business combination and is assigned to the reporting unit that is expected to benefit from the synergies of the combination. Goodwill is tested for impairment annually on October 1st at the reporting unit level, or more frequently if indicators of impairment exist, or if a decision is made to dispose of a business. The Company's Digital Media reportable segment is comprised of seven reporting units and the Cybersecurity and Martech reportable segment is comprised of two reporting units.

The changes in carrying amounts of goodwill for the nine months ended September 30, 2022 are as follows (in thousands):

	Digital Media	Cybersecurity and Martech	Consolidated
Balance as of January 1, 2022	$ 996,659	$ 534,796	$ 1,531,455
Goodwill acquired (Note 3)	93,827	—	93,827
Goodwill impairment	(27,369)	—	(27,369)
Purchase accounting adjustments (Note 3)	4,943	(137)	4,806
Foreign exchange translation	(5,952)	(16,810)	(22,762)
Balance as of September 30, 2022	$ 1,062,108	$ 517,849	$ 1,579,957

During the three months ended September 30, 2022, the Company reassessed the fair value of a reporting unit within the Digital Media reportable segment as a result of a forecasted reduction in revenue and EBITDA in that reporting unit, as well as an increase in interest rates and market volatility that would affect the Company's assumptions on its discount rate. Based on the quantitative fair value test, the carrying value of the reporting unit exceeded its fair value at September 30, 2022, and the Company recorded an impairment of approximately $27.4 million during the three months ended September 30, 2022. The fair value of the reporting unit was determined using an equal weighting of an income approach that was based on the discounted estimated future cash flows of the reporting unit and a market approach that uses the guideline public company approach. We believe the combination of these approaches provides an accurate valuation because it incorporates the expected cash generation of the reporting unit in addition to how a third-party market participant would value the reporting unit. As the business is assumed to continue in perpetuity, the discounted future cash flows include a terminal value. Determining fair value using a discounted estimated future cash flow analysis requires the exercise of significant judgment with respect to several items, including the amount and timing of expected future cash flows and appropriate discount rates. The expected cash flows used in the discounted cash flow analyses were based on the most recent forecast for the reporting unit. For years beyond the forecast period, the estimates were based, in part, on forecasted growth rates. The discount rate the Company used represents the estimated weighted average cost of capital, which reflects the overall level of inherent risk involved in its reporting unit operations and the rate of return a market participant would expect to earn. Determining fair value using a market approach considers multiples of financial metrics based on trading multiples of a selected peer group of companies. From the comparable companies, a representative market multiple is determined, which is applied to financial metrics to estimate the fair value of the reporting unit. Following the impairment, this reporting unit had goodwill of approximately $86.9 million and the carrying value approximated its fair value.

During the three months ended September 30, 2022, the Company realigned two reporting units within the Digital Media reportable segment. The Company re-allocated goodwill between the two identified reporting units based upon the relative fair value of the respective reporting units. Immediately before and immediately following this change in reporting units, the Company performed a quantitative fair value assessment using the income approach and market approach noted above, and each of these reporting units exceeded their respective carrying values and, therefore, there was no impairment to goodwill.

During the nine months ended September 30, 2021, the Company recorded an impairment of approximately $32.6 million related to the Company's B2B Backup business (included in the Cybersecurity and Martech reportable segment). In 2021, the Company received an offer to purchase the B2B Backup business and management determined that the fair value of that business less cost to sell was lower than its carrying amount. The fair value of the business was determined based upon the offer price. The fair value of the remaining reporting unit was determined using an equal weighting of an income approach and a market approach, and was in excess of the remaining carrying value of the reporting unit.

Goodwill as of September 30, 2022 and December 31, 2021 reflects accumulated impairment losses of $27.4 million and zero, respectively, in the Digital Media reportable segment and reflects accumulated impairment losses of $32.6 million and $32.6 million, respectively, in the Cybersecurity and Martech reportable segment.

Intangible Assets Subject to Amortization

Intangible assets resulting from the acquisitions of entities accounted for using the acquisition method of accounting are recorded at the estimated fair value of the assets acquired. Identifiable intangible assets are comprised of purchased customer relationships, trademarks and trade names, developed technologies and other intangible assets. The fair values of these identified intangible assets are based upon expected future cash flows or income, which take into consideration certain assumptions such as customer turnover, trade names and patent lives. These determinations are primarily based upon the Company's historical experience and expected benefit of each intangible asset. If it is determined that such assumptions are not accurate, then the resulting change will impact the fair value of the intangible asset. Identifiable intangible assets are amortized over the period of estimated economic benefit, which ranges from one to twenty years.

As of September 30, 2022, intangible assets subject to amortization relate primarily to the following (in thousands):

	Weighted-Average Amortization Period	Historical Cost	Accumulated Amortization	Net
Trade names	10.0 years	$ 261,070	$ 119,026	$ 142,044
Customer relationships [1]	7.9 years	683,503	456,377	227,126
Other purchased intangibles	8.6 years	480,986	351,704	129,282
Total		$ 1,425,559	$ 927,107	$ 498,452

(1) The Company amortizes customer relationship assets in a pattern that best reflects the pace at which the asset's benefits are consumed. This pattern results in a substantial majority of the amortization expense being recognized in the first 4 to 5 years, despite the overall life of the asset.

As of December 31, 2021, intangible assets subject to amortization relate primarily to the following (in thousands):

	Weighted-Average Amortization Period	Historical Cost	Accumulated Amortization	Net
Trade names	9.7 years	$ 250,418	$ 102,657	$ 147,761
Customer relationships [1]	8.1 years	673,847	398,396	275,451
Other purchased intangibles	9.3 years	467,028	317,515	149,513
Total		$ 1,391,293	$ 818,568	$ 572,725

(1) The Company amortizes customer relationship assets in a pattern that best reflects the pace at which the asset's benefits are consumed. This pattern results in a substantial majority of the amortization expense being recognized in the first 4 to 5 years, despite the overall life of the asset.

Amortization expense, included in General and administrative expense on our Condensed Consolidated Statements of Operations, approximated $36.3 million and $46.6 million for the three months ended September 30, 2022 and 2021, respectively, and $119.3 million and $140.7 million for the nine months ended September 30, 2022 and 2021, respectively.

8. Debt

The Company's debt as of September 30, 2022 and December 31, 2021 consists of the following (in thousands):

	September 30, 2022	December 31, 2021
4.625% Senior Notes	$ 460,038	$ 641,276
1.75% Convertible Notes	550,000	550,000
Total Notes	1,010,038	1,191,276
Less: Unamortized discount	(2,837)	(91,593)
Deferred issuance costs	(8,702)	(9,056)
Total debt	998,499	1,090,627
Less: current portion	—	(54,609)
Total long-term debt, less current portion	$ 998,499	$ 1,036,018

4.625% Senior Notes

On October 7, 2020, the Company completed the issuance and sale of $750.0 million aggregate principal amount of its 4.625% senior notes due 2030 (the "4.625% Senior Notes") in a private placement offering exempt from the registration requirements of the Securities Act of 1933. The Company received proceeds of $742.7 million after deducting the initial purchasers' discounts, commissions and offering expenses. The net proceeds were used to redeem all of its outstanding 6.0% Senior Notes due in 2025 and, the remaining net proceeds were available for general corporate purposes which may include acquisitions and the repurchase or redemption of other outstanding indebtedness.

These senior notes bear interest at a rate of 4.625% per annum, payable semi-annually in arrears on April 15 and October 15 of each year, commencing on April 15, 2021. The 4.625% Senior Notes mature on October 15, 2030, and are senior unsecured obligations of the Company which are guaranteed, jointly and severally, on an unsecured basis by certain of the Company's existing and future domestic direct and indirect wholly-owned subsidiaries (collectively, the "Guarantors"). If the Company or any of its restricted subsidiaries acquires or creates a domestic restricted subsidiary, other than an Insignificant Subsidiary (as defined in the indenture pursuant to which the 4.625% Senior Notes were issued (the "Indenture")), after the issue date, or any Insignificant Subsidiary ceases to fit within the definition of Insignificant Subsidiary, such restricted subsidiary is required to unconditionally guarantee, jointly and severally, on an unsecured basis, the Company's obligations under the 4.625% Senior Notes.

The Company may redeem some or all of the 4.625% Senior Notes at any time on or after October 15, 2025 at specified redemption prices plus accrued and unpaid interest, if any, up to, but excluding the redemption date. Before October 15, 2023, and following certain equity offerings, the Company also may redeem up to 40% of the 4.625% Senior Notes at a price equal to 104.625% of the principal amount, plus accrued and unpaid interest, if any, up to, but excluding the redemption date. The Company may make such redemption only if, after such redemption, at least 50% of the aggregate principal amount of the 4.625% Senior Notes remains outstanding. In addition, at any time prior to October 15, 2025, the Company may redeem some or all of the 4.625% Senior Notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, plus an applicable "make-whole" premium.

The Indenture contains covenants that restrict the Company's ability to (i) pay dividends or make distributions on the Company's common stock or repurchase the Company's capital stock; (ii) make certain restricted payments; (iii) create liens or enter into sale and leaseback transactions; (iv) enter into transactions with affiliates; (v) merge or consolidate with another company; and (vi) transfer and sell assets. These covenants contain certain exceptions. Restricted payments are applicable only if the Company and subsidiaries designated as restricted subsidiaries have a net leverage ratio of greater than 3.5 to 1.0. In addition, if such net leverage ratio is in excess of 3.5 to 1.0, the restriction on restricted payments is subject to various exceptions, including the total aggregate amount not exceeding the greater of (A) $250 million and (B) 50.0% of EBITDA for the most recently ended four fiscal quarter period ended immediately prior to such date for which internal financial statements are available. The Company is in compliance with its debt covenants for the 4.625% Senior Notes as of September 30, 2022.

During the three and nine months ended September 30, 2022, the Company repurchased approximately $105.1 million and $181.2 million, respectively, in aggregate principal amount of the 4.625% Senior Notes for an aggregate purchase price of approximately $94.1 million and $167.7 million, respectively. For the three and nine months ended September 30, 2022, the Company recognized a gain of approximately $10.2 million and $12.1 million, respectively, associated with the repurchase of the 4.625% Senior Notes, which is recorded within 'Gain on debt extinguishment, net' on our Condensed Consolidated Statements of Operations.

As of September 30, 2022 and December 31, 2021, the estimated fair value of the 4.625% Senior Notes was approximately $378.3 million and $659.9 million, and was based on recent quoted market prices for the 4.625% Senior Notes which are Level 1 inputs. Refer to Note 6 - *Fair Value Measurements*.

1.75% Convertible Notes

On November 15, 2019, the Company issued $550.0 million aggregate principal amount of 1.75% convertible senior notes due November 1, 2026 (the "1.75% Convertible Notes"). The Company received proceeds of $537.1 million in cash, net of purchasers' discounts and commissions and other debt issuance costs. A portion of the net proceeds were used to pay off all amounts outstanding under the then-existing Credit Facility. The 1.75% Convertible Notes bear interest at a rate of 1.75% per annum, payable semiannually in arrears on May 1 and November 1 of each year, beginning on May 1, 2020. The 1.75% Convertible Notes will mature on November 1, 2026, unless earlier converted or repurchased.

Holders may surrender their 1.75% Convertible Notes for conversion at any time prior to the close of business on the business day immediately preceding July 1, 2026 only under the following circumstances: (i) during any calendar quarter commencing after the calendar quarter ending on March 31, 2020 (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding the calendar quarter is greater than 130% of the applicable conversion price of the 1.75% Convertible Notes on each such applicable trading day; (ii) during the five business day period following any 10 consecutive trading day period in which the trading price per $1,000 principal amount of 1.75% Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the applicable conversion rate on each such trading day; or (iii) upon the occurrence of specified corporate events. On or after July 1, 2026, and prior to the close of business on the business day immediately preceding the maturity date, holders may convert all or any portion of their notes at any time, regardless of the foregoing circumstances. The Company will settle conversions of the 1.75% Convertible Notes by paying or delivering, as the case may be, cash, shares of the Company common stock or a combination thereof at the Company's election. The Company currently intends to satisfy its conversion obligation by paying and delivering a combination of cash and shares of the Company's common stock. Holders of the notes will have the right to require the Company to repurchase for cash all or any portion of their notes upon the occurrence of certain corporate events, subject to certain conditions. As of September 30, 2022 and December 31, 2021, the market trigger conditions did not meet the conversion requirements of the 1.75% Convertible Notes and, accordingly, the 1.75% Convertible Notes are classified as long-term debt on our Condensed Consolidated Balance Sheets.

As of September 30, 2022, the conversion rate is 9.3783 shares of the Company's common stock for each $1,000 principal amount of 1.75% Convertible Notes, which represents a conversion price of approximately $106.63 per share of the Company's common stock. The conversion rate is subject to adjustment for certain events as set forth in the indenture governing the 1.75% Convertible Notes, but will not be adjusted for accrued interest. In addition, upon the occurrence of a "Make-Whole Fundamental Change" (as defined in the 1.75% Convertible Note Indenture), the Company will increase the conversion rate for a holder that elects to convert its 1.75% Convertible Notes in connection with such a corporate event in certain circumstances.

The Company may not redeem the 1.75% Convertible Notes prior to November 1, 2026, and no sinking fund is provided for the 1.75% Convertible Notes.

The 1.75% Convertible Notes are the Company's general senior unsecured obligations and rank: (i) senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the 1.75% Convertible Notes; (ii) equal in right of payment to the Company's existing and future indebtedness that is not so subordinated; (iii) effectively junior to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) structurally junior to all existing and future indebtedness and other liabilities incurred by the Company's subsidiaries.

Accounting for the 1.75% Convertible Notes

On January 1, 2022 the Company adopted ASU 2020-06 using the modified retrospective method. As a result of this adoption, the Company de-recognized the remaining unamortized debt discount of $87.3 million on the 1.75% Convertible Notes and therefore no longer recognizes any amortization of debt discounts as interest expense. Refer to Note 1 - *Basis of Presentation and Overview*.

In connection with the issuance of the 1.75% Convertible Notes, the Company incurred $12.9 million of deferred issuance costs, which primarily consisted of the underwriters' discount, legal and other professional service fees. Of the total deferred issuance costs incurred, $10.1 million of such deferred issuance costs were attributable to the liability component and are recorded within other assets and were being amortized to interest expense through the maturity date. The remaining $2.8 million of the deferred issuance costs were netted with the equity component in additional paid-in capital at the issuance date. Upon adoption of ASU 2020-06, the Company reclassified the $2.8 million from additional paid-in-capital to the long-term liability and recorded a cumulative adjustment to retained earnings for amortization from the issuance date through January 1, 2022 and will record amortization expense for these debt issuance costs through the maturity date. As of September 30, 2022, the total unamortized deferred issuance costs were $7.8 million.

The 1.75% Convertible Notes are carried at face value less any unamortized debt discount (prior to adoption of ASU 2020-06) and issuance costs. The fair value of the 1.75% Convertible Notes at each balance sheet date is determined based on recent quoted market prices or dealer quotes for the 1.75% Convertible Notes, which are Level 1 inputs (see Note 6 - *Fair Value Measurements*). If such information is not available, the fair value is determined using cash flow models of the scheduled payments discounted at market interest rates for comparable debt without the conversion feature. As of September 30, 2022 and December 31, 2021, the estimated fair value of the 1.75% Convertible Notes was approximately $513.6 million and $685.4 million, respectively.

3.25% Convertible Notes

On June 10, 2014, the Company issued $402.5 million aggregate principal amount of 3.25% convertible senior notes due June 15, 2029 (the “3.25% Convertible Notes”). The 3.25% Convertible Notes bore interest at a rate of 3.25% per annum, payable semiannually in arrears on June 15 and December 15 of each year. Beginning with the six-month interest period commencing on June 15, 2021, the Company had to pay contingent interest on the 3.25% Convertible Notes during any six-month interest period if the trading price per $1,000 principal amount of the 3.25% Convertible Notes for each of the five trading days immediately preceding the first day of such interest period equaled or exceeded $1,300. Any contingent interest payable on the 3.25% Convertible Notes would have been in addition to the regular interest payable on the 3.25% Convertible Notes.

In connection with the Separation, the Company redeemed in full all of its outstanding 3.25% Convertible Notes. During the three and nine months ended September 30, 2021, the Company satisfied its conversion obligation by paying the principal of $399.6 million and $402.4 million, respectively, in cash and the Company issued 3,031,817 and 3,050,850 shares of the Company’s common stock during the three and nine months ended September 30, 2021, respectively (see Note 11 - *Stockholders’ Equity*).

Credit Facility

On April 7, 2021, the Company entered into a $100.0 million Credit Agreement (the “Credit Agreement”). Subject to customary conditions, the Company may, from time to time, request increases in the commitments under the Credit Agreement in an aggregate amount up to $250.0 million, for a total aggregate commitment of up to $350.0 million. The final maturity of the Credit Facility will occur on April 7, 2026.

At the Company’s option, amounts borrowed under the Credit Agreement will bear interest at either (i) a base rate equal to the greater of (x) the Federal Funds Effective Rate (as defined in the Credit Agreement) in effect on such day plus 0.5% per annum, (y) the rate of interest per annum most recently announced by the Agent (as defined in the Credit Agreement) as its U.S. Dollar “Reference Rate” and (z) one month LIBOR plus 1.00% or (ii) a rate per annum equal to LIBOR divided by 1.00 minus the LIBOR Reserve Requirements (as defined in the Credit Agreement), in each case, plus an applicable margin. The applicable margin relating to any base rate loan will range from 0.50% to 1.25% and the applicable margin relating to any LIBOR loan will range from 1.50% to 2.25%, in each case, depending on the total leverage ratio of the Company. The Company is permitted to make voluntary prepayments of the Credit Facility at any time without payment of a premium or penalty. As of September 30, 2022 and December 31, 2021, there were no amounts outstanding under the Credit Agreement.

Debt-for-Equity Exchange

On June 10, 2022 (the “Term Loan Funding Date”), the Company entered into a Fifth Amendment to its Credit Agreement with MUFG Union Bank, N.A, as administrative agent and collateral agent and the lenders party thereto to effectuate the debt-for-equity exchange. The Fifth Amendment to the Credit Agreement provided for the Term Loan Facility in an aggregate principal amount of $90.0 million and certain other changes to the Credit Agreement. The Term Loan Facility had a maturity date that was 60 days after the Term Loan Funding Date. The Term Loan Facility bore interest at a base rate equal to the greater of (x) the Federal Funds Effective Rate, as defined in the Credit Agreement, in effect on such day plus 0.5% per annum, (y) the rate of interest per annum most recently announced by the Agent, as defined in the Credit Agreement, as its U.S. Dollar "Reference Rate" and (z) one month LIBOR plus 1%, provided that the base rate for any term loan made under the Credit Agreement shall be greater of clause (x) and (y) above in each case. During June 2022, the Company borrowed approximately $90.0 million under the Term Loan Facility and completed the non-cash debt-for-equity exchange of 2,300,000 shares of its common stock of Consensus to settle its obligation of $90.0 million outstanding aggregate principal amount of the Term Loan Facility plus an immaterial amount of interest.

On September 15, 2022 (the “Term Loan Two Funding Date”), the Company entered into a Sixth Amendment to its Credit Agreement with MUFG Union Bank, N.A, as administrative agent and collateral agent and the lenders party thereto to effectuate the debt-for-equity exchange. The Sixth Amendment to the Credit Agreement provided for the Term Loan Two Facility in an aggregate principal amount of approximately $22.3 million and certain other changes to the Credit Agreement. The Term Loan Two Facility had a maturity date that was 60 days after the Term Loan Two Funding Date. The Term Loan Two Facility bore interest at a base rate equal to the greater of (x) the Federal Funds Effective Rate, as defined in the Credit Agreement, in effect on such day plus 0.5% per annum, (y) the rate of interest per annum most recently announced by the Agent, as defined in the Credit Agreement, as its U.S. Dollar "Reference Rate" and (z) one month LIBOR plus 1%, provided that the base rate for any term loan made under the Credit Agreement shall be greater of clause (x) and (y) above in each case. During September 2022, the Company borrowed approximately $22.3 million under the Term Loan Two Facility and completed the non-cash debt-for-equity exchange of 500,000 shares of its common stock of Consensus to settle its obligation of $22.3 million outstanding aggregate principal amount of the Term Loan Two Facility plus an immaterial amount of interest.

During the three and nine months ended September 30, 2022, the Company recorded a loss on extinguishment of debt of approximately $0.1 million and $0.6 million, respectively, related to the debt-for-equity exchanges, which is presented within ‘Gain on debt extinguishment, net’ on our Condensed Consolidated Statements of Operations.

9. Commitments and Contingencies

Litigation

From time to time, the Company and its affiliates are involved in litigation and other legal disputes or regulatory inquiries that arise in the ordinary course of business. Any claims or regulatory actions against the Company and its affiliates, whether meritorious or not, could be time consuming and costly, and could divert significant operational resources. The outcomes of such matters are subject to inherent uncertainties, carrying the potential for unfavorable rulings that could include monetary damages and injunctive relief.

On July 8, 2020, Jeffrey Garcia filed a putative class action lawsuit against the Company in the Central District of California (20-cv-06906), alleging violations of federal securities laws. The Company has moved to dismiss the consolidated class action complaint. The court granted the motion to dismiss and the plaintiff has filed an amended complaint. The Company has moved to dismiss the amended complaint. On August 8, 2022, the court granted the Company’s motion to dismiss the amended complaint without leave to amend. The plaintiff has filed the notice of appeal.

On September 24, 2020, International Union of Operating Engineers of Eastern Pennsylvania and Delaware filed an action lawsuit in the Delaware Court of Chancery (C.A. No. 2020-0819-VCL) asserting derivative claims for breach of fiduciary duty and related theories against directors of the Company and other third parties relating generally the investment by the Company in OCV Fund I, L.P. (the “Chancery Court Derivative Action”). On November 17, 2020, the court entered an order allowing Orlando Police Pension Fund to intervene as a plaintiff in the case. The parties have reached an agreement to settle the lawsuit, which requires court approval. On July 29, 2021, the parties filed a stipulation of settlement that provides the terms of the settlement and begins the settlement approval process with the Court. On January 20, 2022 the Court approved the settlement. Among other terms of the settlement, no further capital calls will be made in connection with the Company’s investment in OCV Fund I, L.P.

On December 11, 2020, Danning Huang filed a lawsuit in the District of Delaware (20-cv-01687-LPS) asserting derivative claims against directors of the Company and other third parties. The lawsuit alleges violations of Section 14(a), Section 10(b), Section 20(a) and Rule 10b-5 of the Securities Exchange Act of 1934, as well as breach of fiduciary duty, unjust enrichment and abuse of control.

On March 24, 2021, Fritz Ringling filed a lawsuit in the District of Delaware (21-cv-00421-UNA) asserting substantially similar derivative claims, and on April 8, 2021, the district court consolidated the two actions under the caption In re J2 Global Stockholder Derivative Litigation. No.: 20-cv-01687-LPS. As part of the settlement of the Chancery Court Derivative Action described above, the Company and its directors and officers intend to defend against the remaining claims.

The Company does not believe, based on current knowledge, that the foregoing legal proceedings or claims, after giving effect to existing accrued liabilities, are likely to have a material adverse effect on the Company's consolidated financial position, results of operations, or cash flows. However, depending on the amount and timing, an unfavorable resolution of some or all of these matters could have a material effect on the Company's consolidated financial position, results of operations, or cash flows in a particular period.

The Company has not accrued for any material loss contingencies relating to these legal proceedings because materially unfavorable outcomes are not considered probable by management. It is the Company's policy to expense as incurred legal fees related to various litigations.

Non-Income Related Taxes

The Company does not collect and remit sales and use, telecommunication, or similar taxes and fees in certain jurisdictions where the Company believes such taxes are not applicable or legally required. Several states and other taxing jurisdictions have presented or threatened the Company with assessments, alleging that the Company is required to collect and remit such taxes there.

The Company is currently under audit or is subject to audit for indirect taxes in various states, municipalities and foreign jurisdictions. The Company has a $24.3 million reserve established for these matters. It is reasonably possible that additional liabilities could be incurred resulting in additional expense, which could have a material impact to our financial results.

10. Income Taxes

The Company's tax provision for interim periods is determined using an estimate of the Company's annual effective tax rate adjusted for discrete interim period tax impacts. Each quarter the Company updates its estimated annual effective tax rate and, if the estimate changes, makes a cumulative adjustment. The Company's effective tax rate was 45.9% and (44.2)% for the three months ended September 30, 2022 and 2021, respectively and 83.9% and 142.3% for the nine months ended September 30, 2022 and 2021, respectively. The Company's effective tax rates for the three and nine months ended September 30, 2022 have been disproportionately impacted due to the size of the discrete book loss related to the Disposed Consensus Shares and Retained Consensus Shares. The net loss recorded for book purposes for the Disposed Consensus Shares, excluding transaction costs resulted in no tax benefit because the loss was not subject to tax since the Company disposed of the investment in a tax-free manner based on guidance and requirements set out by the Internal Revenue Service, within the one-year anniversary of the Separation. During the three months ended September 30, 2022, the Company recognized a tax charge of $11.3 million related to its Retained Consensus Shares due to recording a deferred tax liability as of September 30, 2022 as the Company did not dispose of the Retained Consensus Shares within the one-year anniversary of the Separation. This increase to tax expense was partially offset by a tax benefit of $6.7 million for recording a deferred tax asset on the impairment of goodwill recorded during the three months ended September 30, 2022.

During the three months and nine months ended September 30, 2021, the Company recognized a tax benefit primarily due to the recognition of a tax benefit from the disposition and impairment of the B2B Back-up business, a reduction in the net reserve for uncertain tax positions and for the release of a valuation allowance on deferred tax assets related to the impairment of certain U.S. investments. During the three and nine months ended September 30, 2021, in connection with the redemption of the 3.25% Convertible Notes, the Company recorded a reduction in its deferred tax liabilities and an increase in additional paid-in capital of approximately $44.2 million. As the redemption of the 3.25% Convertible Notes were settled in cash and equity for an amount in excess of the Company's tax basis in the 3.25% Convertible Notes, the deferred tax liability was reversed with an adjustment to additional-paid-in capital. Prior to the redemption, the Company had a deferred tax liability on the 3.25% Convertible Notes for cumulative book-tax temporary differences related to interest expense that resulted in the tax basis exceeding the financial statement carrying amount of the 3.25% Convertible Notes.

Income (loss) from continuing operations before income taxes included a loss from domestic operations of approximately $0.3 million and $(63.1) million for the nine months ended September 30, 2022 and 2021, respectively, and income from foreign operations of $39.3 million and $49.1 million for the nine months ended September 30, 2022 and 2021, respectively.

As of September 30, 2022 and December 31, 2021, the Company had $45.4 million and $42.5 million, respectively, in liabilities for uncertain income tax positions from continuing operations. Accrued interest and penalties related to unrecognized tax benefits are recognized in income tax expense on the Company's Condensed Consolidated Statement of Operations.

Certain taxes are prepaid during the year and, where appropriate, included within 'Prepaid expenses and other current assets' on the Condensed Consolidated Balance Sheet. The Company's prepaid taxes were zero and $0.8 million at September 30, 2022 and December 31, 2021, respectively.

Income Tax Audits:

The Company is in various stages of audit by the U.S. Internal Revenue Service ("IRS") for its 2012 through 2016 tax years. On February 24, 2021, the Company received a Notice of Deficiency for tax years 2012 through 2014 which disallowed certain deductions for domestic production. The Company disagrees with the Notice and filed a petition with the United States Tax Court on May 24, 2021. As of September 30, 2022, the audits are ongoing.

The Company is under audit by the California Franchise Tax Board ("FTB") for its tax years 2012, 2013, 2015, and 2016. The FTB, however, has agreed to suspend its audit pending the outcome of the IRS audit for such tax years. As of September 30, 2022, the audits are ongoing.

In June 2019, the New York State Department of Taxation and Finance ("NYS") notified the Company that it will commence an audit for tax year 2015. In April 2020, the NYS notified the Company that it will also commence an audit for tax years 2016 and 2017. As of September 30, 2022, the audits are ongoing.

The Company conducts business on a global basis and as a result, one or more of its subsidiaries files income tax returns in the U.S. federal and in multiple state, local, and foreign tax jurisdictions. The Company's U.S. federal income tax returns for years 2012 through 2016 are under various stages of audit by the IRS, as noted above. The Company is also under audit for various U.S. state and local tax purposes as noted above for its significant jurisdictions. With limited exception, the Company's significant foreign tax jurisdictions are no longer subject to an income tax audit by the various tax authorities for tax years prior to 2014.

It is reasonably possible that these audits may conclude in the next twelve months and that the uncertain tax positions the Company has recorded in relation to these tax years may change compared to the liabilities recorded for these periods. If the recorded uncertain tax positions are inadequate to cover the associated tax liabilities, the Company would be required to record additional tax expense in the relevant period, which could be material. If the recorded uncertain tax positions are adequate to cover the associated tax liabilities, the Company would be required to record any excess as a reduction in tax expense in the relevant period, which could be material. However, it is not currently possible to estimate the amount, if any, of such change.

11. Stockholders' Equity

On August 6, 2020, the Company's Board of Directors approved a program authorizing the repurchase of up to ten million shares of our common stock through August 6, 2025 (the "2020 Program"). The Company entered into certain Rule 10b5-1 trading plans during the years ended December 31, 2021 and 2020 to execute repurchases under the 2020 Program. During the three months ended September 30, 2022, the Company repurchased zero shares under the 2020 Program. During the nine months ended September 30, 2022, the Company repurchased 736,536 shares at an aggregate cost of approximately $71.3 million (including an immaterial amount of commission fees) under the 2020 Program. These shares were subsequently retired. Cumulatively as of September 30, 2022, 3,672,846 shares were repurchased at an aggregate cost of $296.9 million (including an immaterial amount of commission fees) under the 2020 Program. These shares were subsequently retired. As a result of the repurchases, the number of shares available for purchase as of September 30, 2022 is 6,327,154 shares of the Company's common stock.

Periodically, participants in the Company's stock plans surrender to the Company shares of stock to pay the exercise price or to satisfy tax withholding obligations arising upon the exercise of stock options or the vesting of restricted stock. During the three months ended September 30, 2022 and 2021, the Company purchased and retired 2,601 and 49,641 shares at an aggregate cost of approximately $0.2 million and $6.9 million, respectively, from plan participants for this purpose. During the nine months ended September 30, 2022 and 2021, the Company purchased and retired 52,837 and 245,083 shares at an aggregate cost of approximately $5.2 million and $29.9 million, respectively, from plan participants for this purpose.

In connection with the Separation, the Company called its 3.25% Convertible Notes for redemption and during the three and nine months ended September 30, 2021, the Company issued 3,031,817 and 3,050,850 shares of the Company's common stock, respectively, in connection with that redemption (see Note 8 - *Debt*).

12. Stock Based Compensation

The Company's share-based compensation plans include the 2007 Stock Plan (the "2007 Plan"), 2015 Stock Option Plan (the "2015 Plan") and 2001 Employee Stock Purchase Plan (the "Purchase Plan"). Each plan is described below.

The 2007 Plan provides for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units and other share-based awards. 4,500,000 shares of the Company's common stock are authorized to be used for 2007 Plan purposes. Options under the 2007 Plan may be granted at exercise prices determined by the Board of Directors, provided that the exercise prices shall not be less than the fair market value of the Company's common stock on the date of grant for incentive stock options and not less than 85% of the fair market value of the Company's common stock on the date of grant for non-statutory stock options. As of September 30, 2022, zero shares underlying options and zero shares of restricted stock units were outstanding under the 2007 Plan. The 2007 Plan terminated on February 14, 2017.

The 2015 Plan provides for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance share units and other share-based awards. 4,200,000 shares of the Company's common stock are authorized to be used for 2015 Plan purposes. Options under the 2015 Plan may be granted at exercise prices determined by the Board of Directors, provided that the exercise prices shall not be less than the higher of the par value or 100% of the fair market value of the Company's common stock subject to the option on the date the option is granted. As of September 30, 2022, 435,135 shares underlying options and 526,656 shares of restricted stock units were outstanding under the 2015 Plan.

Restricted Stock

The Company has awarded restricted stock and restricted stock units to its Board of Directors and senior staff pursuant to certain share-based compensation plans. Compensation expense resulting from restricted stock and restricted unit grants is measured at fair value on the date of grant and is recognized as share-based compensation expense over the applicable vesting period. Vesting periods are approximately one year for awards to members of the Company's Board of Directors, four or five years for senior staff (excluding market-based awards discussed below) and four to eight years for the Chief Executive Officer. The Company granted 152,982 and 91,163 shares of restricted stock and restricted units (excluding awards with market conditions below) during the nine months ended September 30, 2022 and 2021, respectively.

The Company has awarded certain key employees market-based restricted stock awards pursuant to the 2015 Plan. The market-based awards have vesting conditions that are based on specified stock price targets of the Company's common stock. Market conditions were factored into the grant date fair value using a Monte Carlo valuation model, which utilized multiple input variables to determine the probability of the Company achieving the specified stock price targets for 20-days within a 30-day lookback (trading days). Stock-based compensation expense related to an award with a market condition will be recognized over the requisite service period using the graded-vesting method regardless of whether the market condition is satisfied, provided that the requisite service period has been completed. During the nine months ended September 30, 2022 and 2021, the Company awarded 100,193 and 73,094 market-based restricted stock awards, respectively. The per share weighted average grant-date fair values of the market-based restricted stock awards granted during the nine months ended September 30, 2022 and 2021 were $87.11 and $94.40, respectively.

The weighted-average fair values of market-based restricted stock awards granted have been estimated utilizing the following assumptions:

	September 30, 2022	September 30, 2021
Underlying stock price at valuation date	$ 99.32	$ 113.27
Expected volatility	36.7 %	30.3 %
Risk-free interest rate	1.8 %	1.3 %

Restricted stock award activity for the nine months ended September 30, 2022 is set forth below:

	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at January 1, 2022	383,963	$ 62.65
Granted	—	—
Vested	(65,831)	$ 80.89
Canceled	(1,605)	$ 93.75
Nonvested at September 30, 2022	316,527	$ 60.11

Restricted stock unit activity for the nine months ended September 30, 2022 is set forth below:

	Number of Shares	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at January 1, 2022	360,743		
Granted	253,175		
Vested	(74,604)		
Canceled	(12,658)		
Outstanding at September 30, 2022	526,656	2.6	$ 36,065,403
Vested and expected to vest at September 30, 2022	385,498	2.2	$ 26,398,925

As of September 30, 2022 and December 31, 2021, the Company had unrecognized share-based compensation cost of approximately $48.2 million and $44.3 million, respectively, associated with these restricted stock awards and restricted stock units. This cost is expected to be recognized over a weighted-average period of 3.0 for restricted stock awards and 3.7 for restricted stock units.

Employee Stock Purchase Plan

The Purchase Plan provides for the issuance of a maximum of two million shares of the Company’s common stock. Under the Purchase Plan, eligible employees can have up to 15% of their earnings withheld, up to certain maximums, to be used to purchase shares of the Company’s common stock at certain plan-defined dates. The price of the Company’s common stock purchased under the Purchase Plan for the offering periods is equal to 85% of the lesser of the fair market value of a share of common stock of the Company on the beginning or the end of the offering period.

The Company determined that a plan provision exists which allows for the more favorable of two exercise prices, commonly referred to as a “look-back” feature. The purchase price discount and the look-back feature cause the Purchase Plan to be compensatory and the Company to recognize compensation expense. The compensation cost is recognized on a straight-line basis over the requisite service period. The Company used the Black-Scholes option pricing model to calculate the estimated fair value of the purchase right issued under the ESPP. The expected volatility is based on historical volatility of the Company’s common stock. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with a term equal to the expected term of the option assumed at the date of grant. The Company uses an annualized dividend yield based upon the per share dividends declared by its Board of Directors. Estimated forfeiture rates were 11.15% and 11.15% as of September 30, 2022 and 2021, respectively.

For the nine months ended September 30, 2022 and 2021, 76,741 and 58,145 shares were purchased under the Purchase Plan, respectively. Cash received upon the issuance of the Company’s common stock under the Purchase Plan was $5.2 million and $4.2 million for the nine months ended September 30, 2022 and 2021, respectively. As of September 30, 2022, 1,218,950 shares were available under the Purchase Plan for future issuance.

The compensation expense related to the Purchase Plan has been estimated utilizing the following assumptions:

	September 30, 2022	September 30, 2021
Risk-free interest rate	1.54 %	0.06 %
Expected term (in years)	0.5	0.5
Dividend yield	0.00 %	0.00 %
Expected volatility	41.6 %	35.62 %
Weighted average volatility	41.6 %	35.62 %

13. Earnings Per Share

The components of basic and diluted earnings per share are as follows (in thousands, except share and per share data):

	Three Months Ended September 30,			
	2022		2021	
	Basic	Diluted	Basic	Diluted
Numerator for basic and diluted net income per common share:				
Net income from continuing operations	$ 18,185	$ 18,185	$ 6,769	$ 6,769
Net income available to participating securities [1]	(4)	(4)	(4)	(4)
1.75% Convertible Notes interest expense (after-tax) [2]	—	—	—	—
Net income available to the Company’s common shareholders from continuing operations	$ 18,181	$ 18,181	$ 6,765	$ 6,765
Denominator:				
Weighted-average outstanding shares of common stock	46,871,897	46,871,897	46,738,073	46,738,073
Dilutive effect of:				
Equity incentive plans	—	—	—	332,532
Convertible debt [2]	—	—	—	1,511,980
Common stock and common stock equivalents	46,871,897	46,871,897	46,738,073	48,582,585
Net income per share from continuing operations:	$ 0.39	$ 0.39	$ 0.14	$ 0.14

	Nine Months Ended September 30,			
	2022		2021	
	Basic	Diluted	Basic	Diluted
Numerator for basic and diluted net income per common share:				
Net (loss) income from continuing operations	$ (3,714)	$ (3,714)	$ 22,504	$ 22,504
Net income available to participating securities [1]	—	—	(24)	(24)
1.75% Convertible Notes interest expense (after-tax) [2]	—	—	—	—
Net (loss) income available to the Company’s common shareholders from continuing operations	$ (3,714)	$ (3,714)	$ 22,480	$ 22,480
Denominator:				
Weighted-average outstanding shares of common stock	46,967,671	46,967,671	45,258,819	45,258,819
Dilutive effect of:				
Equity incentive plans	—	—	—	272,178
Convertible debt [2]	—	—	—	2,034,065
Common stock and common stock equivalents	46,967,671	46,967,671	45,258,819	47,565,062
Net (loss) income per share from continuing operations:	$ (0.08)	$ (0.08)	$ 0.50	$ 0.47

(1) Represents unvested share-based payment awards that contain certain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid).
(2) Under the modified retrospective method of adoption of ASU 2020-06, the dilutive impact of convertible debt was calculated using the if-converted method for the three and nine months ended September 30, 2022. The dilutive impact of convertible debt was calculated using the treasury stock method for the three and nine months ended September 30, 2021 (see Note 8 - *Debt*).

For the three months ended September 30, 2022 and 2021, there were 1,278,330 and zero, respectively, stock options and restricted stock excluded from the calculation as they were anti-dilutive. For the nine months ended September 30, 2022 and 2021, there were 1,278,330 and zero, respectively, stock options and restricted stock excluded from the calculation as they were anti-dilutive. For the three months ended September 30, 2022 and 2021, there were 5,158,071 and zero shares, respectively, related to convertible debt excluded from the calculation as they were anti-dilutive. For the nine months ended

September 30, 2022 and 2021, there were 5,158,071 and zero shares, respectively, related to convertible debt excluded from the calculation as they were anti-dilutive.

14. Segment Information

The Company's businesses are based on the organizational structure used by the chief operating decision maker ("CODM"). The Company aggregates its operating segments into two reportable segments: Digital Media and Cybersecurity and Martech.

The accounting policies of the businesses are the same as those described in the Company's Annual Report on Form 10-K filed with the SEC on March 15, 2022. The Company evaluates performance based on revenue, gross margin and profit or loss from operations before income taxes, not including nonrecurring gains and losses and foreign exchange gains and losses.

Information on reportable segments and reconciliation to income from operations is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue by reportable segment:				
Digital Media	$ 263,896	$ 262,429	$ 757,423	$ 743,280
Cybersecurity and Martech	78,192	93,071	237,596	265,580
Elimination of inter-segment revenues	(215)	(356)	(722)	(766)
Total segment revenues	341,873	355,144	994,297	1,008,094
Corporate(1)	—	—	—	—
Total revenues	$ 341,873	$ 355,144	$ 994,297	$ 1,008,094
Gross profit by reportable segment:				
Digital Media	$ 232,887	$ 238,650	$ 676,040	$ 673,409
Cybersecurity and Martech	56,595	66,884	174,251	192,638
Elimination of inter-segment gross profit	(212)	(88)	(701)	(214)
Total segment gross profit	289,270	305,446	849,590	865,833
Corporate(1)	—	—	—	(74)
Total gross profit	289,270	305,446	849,590	865,759
Operating expenses by reportable segment(2):				
Digital Media	205,570	188,950	571,980	548,960
Cybersecurity and Martech	42,765	56,208	135,516	191,282
Elimination of inter-segment operating expenses	(212)	(88)	(701)	(214)
Total segment operating expenses	248,123	245,070	706,795	740,028
Corporate(1)	12,113	15,366	37,312	43,785
Total operating expenses	260,236	260,436	744,107	783,813
Operating income by reportable segment:				
Digital Media	27,317	49,700	104,060	124,449
Cybersecurity and Martech	13,830	10,676	38,735	1,356
Total segment operating income	41,147	60,376	142,795	125,805
Corporate(1)	(12,113)	(15,366)	(37,312)	(43,859)
Income from operations	$ 29,034	$ 45,010	$ 105,483	$ 81,946

(1) Corporate includes costs associated with general and administrative and other expenses that are managed on a global basis and that are not directly attributable to any particular segment.

(2) Operating expenses for each segment include other operating expenses that are directly attributable to the segment, such as employee compensation expense, local sales and marketing expenses, engineering and network operations expense, depreciation and amortization and other administrative expenses. For the nine months ended September 30, 2021, goodwill impairment related to our B2B Backup business is also included within operating expenses for Cybersecurity and Martech. For the three and nine months ended September 30, 2022, the Company had an impairment to goodwill within operating expenses for Digital Media.

The CODM does not use Balance Sheet and Cash Flow information in connection with operating and investment decisions other than as presented for Digital Media and Cybersecurity and Martech. Accordingly, the following segment information is presented for Digital Media and Cybersecurity and Martech.

	September 30, 2022	December 31, 2021
Assets:		
Digital Media	$ 2,014,843	$ 2,043,204
Cybersecurity and Martech	970,482	1,088,741
Total assets from reportable segments	2,985,325	3,131,945
Corporate	447,743	638,335
Total assets	$ 3,433,068	$ 3,770,280

	Nine Months Ended September 30,	
	2022	2021
Capital expenditures		
Digital Media	$ 69,451	$ 51,995
Cybersecurity and Martech	11,312	20,248
Total from reportable segments	80,763	72,243
Corporate	4	—
Capital expenditures of discontinued operations	—	15,252
Total capital expenditures	$ 80,767	$ 87,495

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Depreciation and amortization:				
Digital Media	$ 44,631	$ 50,056	$ 138,297	$ 147,482
Cybersecurity and Martech	11,445	12,742	36,566	39,803
Total from reportable segments	56,076	62,798	174,863	187,285
Corporate	(139)	79	17	217
Depreciation and amortization of discontinued operations	—	3,340	—	8,941
Total depreciation and amortization	$ 55,937	$ 66,217	$ 174,880	$ 196,443

The Company maintains operations in the U.S., Canada, Ireland, the United Kingdom, India and other countries. Geographic information about the U.S. and all other countries for the reporting periods is presented below. Such information attributes revenues based on jurisdictions where revenues are reported (in thousands).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues:				
United States	$ 291,164	$ 297,123	$ 841,396	$ 837,656
Canada	8,629	8,284	24,780	24,596
Ireland	8,075	8,603	24,619	27,657
All other countries	34,005	41,134	103,502	118,185
Total	$ 341,873	$ 355,144	$ 994,297	$ 1,008,094

	September 30, 2022	December 31, 2021
Long-lived assets:		
United States	$ 644,327	$ 726,128
All other countries	69,563	63,423
Total	$ 713,890	$ 789,551

15. Supplemental Cash Flow Information

Non-cash investing and financing activities were as follows (in thousands):

	Nine Months Ended September 30,	
	2022	2021(1)
Non-cash investing activity:		
Property and equipment, accrued but unpaid	$ 184	$ 219
Right-of-use assets acquired in exchange for operating lease obligations	$ 4,130	$ 9,274
Disposition of Investment in Consensus(2)	$ 112,286	$ —
Non-cash financing activity:		
Debt principal settled in exchange for Investment in Consensus(2)	$ 112,286	$ —

(1) Combines continuing and discontinued operations.
(2) The Company disposed $160.1 million of its Investment in Consensus in exchange for $112.3 million of debt and recorded $47.8 million of loss on investment, net.

Supplemental data (in thousands):

	Nine Months Ended September 30,	
	2022	2021
Interest paid	$ 20,718	$ 29,467
Income taxes paid, net of refunds	$ 31,632	$ 49,859

16. Accumulated Other Comprehensive Loss

The following table summarizes the changes in accumulated balances of other comprehensive loss, net of tax, for the three months ended September 30, 2022 (in thousands):

	Unrealized Gains (Losses) on Investments	Foreign Currency Translation	Total
Balance as of July 1, 2022	$ 169	$ (83,865)	$ (83,696)
Other comprehensive loss	(169)	(24,753)	(24,922)
Balance as of September 30, 2022	$ —	$ (108,618)	$ (108,618)

The following table summarizes the changes in accumulated balances of other comprehensive loss, net of tax, for the nine months ended September 30, 2022 (in thousands):

	Unrealized Gains (Losses) on Investments	Foreign Currency Translation	Total
Balance as of January 1, 2022	$ 169	$ (57,391)	$ (57,222)
Other comprehensive loss	(169)	(51,227)	(51,396)
Balance as of September 30, 2022	$ —	$ (108,618)	$ (108,618)

There were no reclassifications out of accumulated other comprehensive loss for the three and nine months ended September 30, 2022. During the three and nine months ended September 30, 2022, accumulated other comprehensive loss and other comprehensive loss were adjusted by approximately zero and $4.1 million, respectively, related to the subsequent accounting for the Separation.

17. Related Party Transactions

Consensus

In preparation for and in executing the Separation, the Company incurred transaction-related costs, some of which were or the Company expects to be, reimbursed by Consensus. These transaction costs primarily related to professional fees associated with preparation of regulatory filings and transaction execution and separation activities within finance, tax and legal functions. In connection with the Separation, Ziff Davis and Consensus entered into several agreements that govern the relationship of the parties following the Separation, including a separation and distribution agreement, a transition services agreement, a tax matters agreement, an employee matters agreement, an intellectual property license agreement, and a stockholder and registration rights agreement. The transition services agreement governs services including certain information technology services, finance and accounting services and human resource and employee benefit services. The agreed-upon charges for such services are generally intended to allow the providing company to recover all costs and expenses of providing such services, and nearly all such services were terminated without extension twelve months after the Separation. Amounts due from Consensus as of September 30, 2022 and December 31, 2021 were approximately $1.2 million and $9.3 million, respectively, related to reimbursement of certain other costs pursuant to the transition services agreement, certain transaction related costs and other costs, and are included in ‘Accounts receivable’ within the Condensed Consolidated Balance Sheets. During the three and nine months ended September 30, 2022, the Company recorded an offset to expense of approximately zero and $1.2 million, respectively, from Consensus related to certain items above within ‘General and administrative expenses’ within the Condensed Consolidated Statements of Operations. During the three and nine months ended September 30, 2022, Consensus paid the Company approximately $7.2 million and $18.7 million, respectively, related to reimbursement of items described above.

Further, the Company assigned its lease of office space in Los Angeles, California to Consensus. As of September 30, 2022, Ziff Davis remained the lessee under this lease and its obligations remained in place through October 7, 2022, after which time Consensus would take over the lease in full. During the three and nine months ended September 30, 2022, the Company recorded an offset to lease expense of approximately $0.5 million and $1.5 million, respectively, related to this lease, however, Consensus paid the landlord directly (other than an immaterial amount of sublease payments from Ziff Davis to Consensus).

OCV

On September 25, 2017, the Company entered into a commitment to invest in the Fund. The manager, OCV Management, LLC, and general partner of the Fund are entities with respect to which Richard S. Ressler, former Chairman of the Board, is indirectly the majority equity holder. Mr. Ressler's tenure with the Board ended as of May 10, 2022. During the three and nine months ended September 30, 2022 and 2021, the Company recognized expense for management fees of zero and $0.8 million, net of tax benefit, respectively, and $1.5 million and $2.3 million, net of tax benefit, respectively. During the nine months ended September 30, 2021, the Company received capital call notices from the management of OCV Management, LLC for $21.2 million, inclusive of certain management fees. Approximately $21.2 million was paid for capital call notices during the nine months ended September 30, 2021. In addition, subject to the terms and conditions of the Fund's limited partnership agreement, once the Company has received distributions equal to its invested capital, the Fund's general partner will be entitled to a carried interest equal to 20%. The Fund has a six year investment period, subject to certain exceptions. The commitment was approved by the Audit Committee of the Board in accordance with the Company's related-party transaction approval policy. In connection with the settlement of certain litigation generally related to the Company's investment in the Fund (see Note 9 - *Commitments and Contingencies*), among other terms, no further capital calls were made during the nine months ended September 30, 2022 or will be made in the future in connection with the Company's investment in the Fund, nor will any future management fees be paid by the Company to the manager.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Information

In addition to historical information, we have also made forward-looking statements in this report. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those discussed below, the risk factors discussed in Part II, Item 1A - "Risk Factors" of this Quarterly Report on Form 10-Q (if any) and in Part I, Item 1A - "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 (together, the "Risk Factors"), and the factors discussed in the section in this Quarterly Report on Form 10-Q entitled "Quantitative and Qualitative Disclosures About Market Risk." Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Readers should carefully review the Risk Factors and the risk factors set forth in other documents we file from time to time with the SEC.

Some factors that could cause actual results to differ materially from those anticipated in these forward-looking statements include, but are not limited to, our ability and intention to:

- Sustain growth or profitability, particularly in light of an uncertain U.S. or worldwide economy, including inflation, supply chain and other factors and their related impacts on customer acquisition and retention rates, customer usage levels, and credit and debit card payment declines;
- Maintain and increase our customer base and average revenue per user;
- Generate sufficient cash flow to make interest and debt payments, reinvest in our business, and pursue desired activities and businesses plans while satisfying restrictive covenants relating to debt obligations;
- Acquire businesses on acceptable terms and successfully integrate and realize anticipated synergies from such acquisitions;
- Continue to expand our businesses and operations internationally in the wake of numerous risks, including adverse currency fluctuations, difficulty in staffing and managing international operations, higher operating costs as a percentage of revenues, or the implementation of adverse regulations;
- Maintain our financial position, operating results and cash flows in the event that we incur new or unanticipated costs or tax liabilities, including those relating to federal and state income tax and indirect taxes, such as sales, value-added and telecommunication taxes;
- Accurately estimate the assumptions underlying our effective worldwide tax rate;
- Maintain favorable relationships with critical third-party vendors whose financial condition will not negatively impact the services they provide;
- Create compelling digital media content causing increased traffic and advertising levels; additional advertisers or an increase in advertising spend; and effectively target digital media advertisements to desired audiences;
- Manage certain risks inherent to our business, such as costs associated with fraudulent activity, system failure or security breach; effectively maintaining and managing our billing systems; time and resources required to manage our legal proceedings; liability for legal and other claims; or adhering to our internal controls and procedures;
- Compete with other similar providers with regard to price, service, and functionality;
- Achieve business and financial objectives in light of burdensome domestic and international telecommunications, internet or other regulations, including regulations related to data privacy, access, security, retention, and sharing;
- Successfully manage our growth, including but not limited to our operational and personnel-related resources, and integration of newly acquired businesses;
- Successfully adapt to technological changes and diversify services and related revenues at acceptable levels of financial return;

- Successfully develop and protect our intellectual property, both domestically and internationally, including our brands, patents, trademarks and domain names, and avoid infringing upon the proprietary rights of others;
- Recruit and retain key personnel; and
- Realize the expected benefits of the cloud fax spin-off transaction or the sale of the B2B Backup business.

In addition, other factors that could cause actual results to differ materially from those anticipated in these forward-looking statements or materially impact our financial results include the risks associated with new accounting pronouncements, as well as those associated with natural disasters, public health crises, pandemics including the COVID-19 outbreak and other catastrophic events outside of our control, including as to COVID-19 the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, third parties and us.

Overview

Ziff Davis, Inc. (formerly J2 Global, Inc.) was incorporated in 2014 as a Delaware corporation through the creation of a holding company structure. Our Cybersecurity and Martech businesses are operated by our wholly owned subsidiary, J2 Global Ventures, LLC. Prior to the spin-off of Consensus Cloud Solutions, Inc. ("Consensus"), our Cybersecurity and Martech businesses were operated by our former wholly owned subsidiary J2 Cloud Services, LLC (formerly J2 Cloud Services, Inc.), which was founded in 1995, and subsidiaries of J2 Cloud Services, LLC.

Ziff Davis, Inc., together with its subsidiaries ("Ziff Davis", "the Company", "our", "us" or "we"), is a vertically focused digital media and internet company. Our Digital Media business specializes in the technology, shopping, gaming, and healthcare markets, offering content, tools and services to consumers and businesses. Our Cybersecurity and Martech business provides cloud-based subscription services to consumers and businesses including cybersecurity, privacy and marketing technology.

In February 2021, we sold certain Voice assets in the United Kingdom and in September 2021, we sold our B2B Backup business. In October 2021 we completed the separation of our cloud fax business (the "Separation") into an independent publicly traded company, Consensus.

The accounting requirements for reporting the Separation of Consensus as a discontinued operation were met when the Separation was completed on October 7, 2021. Accordingly, the accompanying Condensed Consolidated Financial Statements for all periods presented reflect the results of the Consensus business as a discontinued operation. Ziff Davis retained a 19.9% interest in Consensus following the Separation (the "Investment in Consensus"). Ziff Davis did not retain a controlling interest in Consensus. On June 10, 2022, the Company entered into a Fifth Amendment to its Credit Agreement and on September 15, 2022, the Company entered into a Sixth Amendment to its Credit Agreement, each with MUFG Union Bank, N.A., as administrative agent and collateral agent and the lenders party thereto to effectuate two debt-for equity exchanges of the portion of the Investment in Consensus. The Fifth Amendment to the Credit Agreement provided for the issuance of a senior secured term loan under the Credit Agreement, in an aggregate principal amount of $90.0 million (the "Term Loan Facility") and the Sixth Amendment to the Credit Agreement provided for the issuance of a senior secured term loan under the Credit Agreement, in an aggregate principal amount of $22.3 million (the "Term Loan Two Facility"). Both amendments provided for certain other changes to the Credit Agreement. Refer to Note 8 - *Debt* in Item 1 of Part I of this Quarterly Report on Form 10-Q, which is incorporated by reference into this Part I Item 2 for additional information. During June 2022, the Company borrowed approximately $90.0 million under the Term Loan Facility and completed a non-cash exchange of 2.3 million shares of the Investment in Consensus to settle its obligation of $90.0 million outstanding aggregate principal amount of the Term Loan Facility plus related interest. During September 2022, the Company borrowed approximately $22.3 million under the Term Loan Two Facility and completed a non-cash exchange of 0.5 million shares of the Investment in Consensus to settle its obligation of $22.3 million outstanding aggregate principal amount of the Term Loan Two Facility plus related interest. As of September 30, 2022, the Company holds approximately 1.2 million shares of the common stock of Consensus. The Investment in Consensus represents an investment into equity securities for which the Company elected the fair value option and subsequent fair value changes in the Consensus shares are included in the assets of and results from continuing operations.

Our Digital Media business generates revenues from advertising and sponsorships, subscription and usage fees, performance marketing and licensing fees. Our Cybersecurity and Martech business generates revenues primarily from recurring fixed and variable usage-based subscription and licensing fees.

In addition to growing our business organically, on a regular basis we acquire businesses to grow our customer bases, expand and diversify our service offerings, enhance our technologies, acquire skilled personnel and enter into new markets.

Our consolidated revenues are currently generated from two basic business models, each with different financial profiles and variability. Our Digital Media business is driven primarily by advertising revenues, has relatively higher sales and marketing expense and has seasonal strength in the fourth quarter. Our Cybersecurity and Martech business is driven primarily by subscription revenues with relatively stable and predictable margins from quarter to quarter. We continue to pursue additional acquisitions, which may include companies operating under business models that differ from those we operate under today. Such acquisitions could impact our consolidated profit margins and the variability of our revenues.

Performance Metrics

Revenues from external customers classified by revenue source are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Digital Media				
Advertising[1]	$ 186,921	$ 198,794	$ 546,186	$ 574,465
Subscription[1]	64,780	52,010	179,257	145,935
Other[1]	12,195	11,625	31,980	22,880
Total Digital Media revenues	$ 263,896	$ 262,429	$ 757,423	$ 743,280
Cybersecurity and Martech				
Subscription	$ 78,192	$ 93,071	$ 237,596	$ 265,580
Total Cybersecurity and Martech revenues	$ 78,192	$ 93,071	$ 237,596	$ 265,580
Elimination of inter-segment revenues	(215)	(356)	(722)	(766)
Total Revenues	$ 341,873	$ 355,144	$ 994,297	$ 1,008,094

We use certain metrics to generally assess the operational and financial performance of our businesses. We have changed these metrics effective January 1, 2022, and the following descriptions align with the metrics management now uses to monitor the performance of its various advertising and subscription-based businesses. For our advertising businesses, net advertising revenue retention is an indicator of our ability to retain the spend of our existing advertisers year over year, which we view as a reflection of the effectiveness of our advertising platform. Similarly, we monitor the number of our advertisers and the revenue per advertiser (as defined) as these metrics provide further details related to our reported revenue and contribute to certain of our business planning decisions.

For our subscription and licensing businesses, the number of subscribers that we serve is an indicator of our customer retention and growth. The average monthly revenue per subscriber and the churn rate also contribute to insights that contribute to certain of our business planning decisions.

The following table sets forth certain key operating metrics for our Digital Media advertising business for the three months ended September 30, 2022 and 2021:

	Three Months Ended September 30,	
	2022	2021
Net advertising revenue retention [1]	94.1 %	114.1 %
Advertisers [2]	$ 1,953	1,908
Quarterly revenue per advertiser [3]	$ 95,710	$ 104,189

(1) Net advertising revenue retention equals (i) the trailing twelve month revenue recognized related to prior year advertisers in the current year period (excluding revenue from acquisitions during the stub period) divided by (ii) the trailing twelve month revenue recognized related to prior year advertisers in the prior year period (excluding revenue from acquisitions during the stub period). This excludes advertisers that generated less than $10,000 of revenue in the measurement period.
(2) Excludes advertisers that spent less than $2,500 in the quarter within certain divisions.
(3) Represents total gross quarterly advertising revenues divided by advertisers as defined in footnote (2).

The following table sets forth certain key operating metrics for our Digital Media and Cybersecurity and Martech subscription and licensing businesses for the three months ended September 30, 2022 and 2021:

	Three Months Ended September 30,		
	2022	2021 (excluding disposed assets)[1]	2021 (including disposed assets) [1]
Subscribers (in thousands) [2]	3,050	2,290	2,318
Average quarterly revenue per subscriber [3]	$46.87	$59.08	$62.51
Churn rate [4]	3.55%	2.99%	2.86%

(1) The metrics in the table above are shown exclusive and inclusive of the B2B Backup business that was sold during the third quarter of 2021. The metric of average monthly revenue per subscriber excluding disposed assets for the three and nine months ended September 30, 2021 is considered a non-GAAP measure. The Company believes this provides useful information to allow for comparability of these metrics without disposed assets in both periods. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.
(2) Represents the quarterly average of the end of month subscriber counts for both the Digital Media and Cybersecurity and Martech businesses. Cybersecurity and Martech subscribers are defined as a direct customer, including customers who have paused but not cancelled their subscription. If the company provides services through a reseller or a partner and the Company does not have visibility into the number of underlying subscribers, the reseller or partner is counted as one subscriber.
(3) Represents quarterly subscription revenues divided by customers in the table above.
(4) Churn rate is calculated as (i) the average revenue per subscription in the prior month multiplied by the number of cancellations in the current month, calculated at each business and aggregated; divided by (ii) subscription revenue in the current month, calculated at each business and aggregated. For Ookla, this is calculated by taking the sum of the monthly revenue from the specific cancelled agreements.

Critical Accounting Policies and Estimates

In the ordinary course of business, we have made a number of estimates and assumptions relating to the reporting of results of operations and financial condition in the preparation of our financial statements. Actual results could differ significantly from those estimates under different assumptions and conditions. Our critical accounting policies are described in our 2021 Annual Report on Form 10-K filed with the SEC on March 15, 2022. During the three and nine months ended September 30, 2022, there were no significant changes in our critical accounting policies and estimates. See Note 1 to the Condensed Consolidated Financial Statements for additional description of significant accounting policies of the Company.

Results of Operations for the Three and Nine Months Ended September 30, 2022

Digital Media

We expect revenue for fiscal year 2022 to be higher compared to the prior year driven by acquisitions and organic growth in certain of our businesses. We expect the Digital Media business to improve as we integrate our recent acquisitions and over the longer term as advertising transactions continue to shift from offline to online, and we continue to expand our advertising platforms. The main focus of our platform monetization programs is to provide relevant and useful advertising to visitors to our websites, provide meaningful content that informs and shapes purchase intent, and leverage our brand and editorial assets into subscription platforms. As a result, we expect to continue to take steps to improve the relevance of the ads displayed on our websites and those included within our advertising networks, and improve the effectiveness of our content in driving purchase decisions and subscriptions.

The operating margin we realize on revenues generated from ads placed on our websites is significantly higher than the operating margin we realize from revenues generated from those placed on third-party websites. Growth in advertising revenues from our websites has generally exceeded that from third-party websites. This trend has had a positive impact on our operating margins, and we expect that this will continue for the foreseeable future.

We expect acquisitions to remain an important component of our strategy and use of capital in this business; however, we cannot predict whether our current pace of acquisitions will remain the same within this business, especially in light of the current macroeconomic conditions. In a given period, we may close greater or fewer acquisitions than in prior periods or acquisitions of greater or lesser significance than in prior periods. Moreover, future acquisitions of businesses within this space, but with different business models, may impact Digital Media's overall operating profit margins.

Cybersecurity and Martech

We expect 2022 revenue to be lower compared to the prior year driven by the divestitures of our B2B Backup business and Voice assets, partially offset by revenue from acquisitions and organic growth in certain of our businesses. The main focus of our Cybersecurity and Martech service offerings is to reduce or eliminate costs, increase sales and enhance productivity, mobility, business continuity and security of our customers as the technologies and devices they use evolve over time. As a result, we expect to continue to take steps to enhance our existing offerings and offer new services to continue to satisfy the evolving needs of our customers.

We expect acquisitions to remain an important component of our strategy and use of capital in this business; however, we cannot predict whether our current pace of acquisitions will remain the same within this business, especially in light of the current macroeconomic conditions. In a given period, we may close greater or fewer acquisitions than in prior periods or acquisitions of greater or lesser significance than in prior periods. Moreover, future acquisitions of businesses within this space but with different business models, may impact Cybersecurity and Martech' overall operating profit margins.

Consolidated

Based on the trends discussed above with respect to our Digital Media and Cybersecurity and Martech businesses, we anticipate our consolidated revenue for fiscal year 2022 to be slightly below the prior year. We expect operating profit as a percentage of revenues to be generally consistent with 2021's operating profit margins.

Revenues

(in thousands, except percentages)	Three Months Ended September 30,		Percentage Change	Nine Months Ended September 30,		Percentage Change
	2022	2021		2022	2021	
Revenues	$ 341,873	$ 355,144	(4)%	$ 994,297	$ 1,008,094	(1)%

Our revenues consist of revenues from our Digital Media and Cybersecurity and Martech businesses. Digital Media revenues primarily consist of advertising revenues and subscriptions earned through the granting of access to, or delivery of, certain data products or services to customers, fees paid for generating business leads, and licensing and sale of editorial content and trademarks. Cybersecurity and Martech revenues primarily consist of revenues from "fixed" customer subscription revenues and "variable" revenues generated from actual usage of our services.

Our revenues decreased during the three and nine months ended September 30, 2022 primarily due to declines in parts of both the Digital Media and Cybersecurity and Martech businesses and the absence of revenues associated with recently divested businesses, partially offset by contributions from recently acquired businesses and organic growth in certain parts of both the Digital Media and Cybersecurity and Martech businesses. Revenue in the third quarter of 2021 and the first nine months of 2021 included approximately $9.6 million and $33.5 million, respectively, of revenue from the divested B2B Backup business and Voice assets. Revenue in the third quarter of 2022 and the first nine months of 2022 included approximately $19.1 million and $70.1 million, respectively, of revenue related to businesses acquired during the twelve months prior to the beginning of the respective period.

Cost of Revenues

(in thousands, except percentages)	Three Months Ended September 30,		Percentage Change	Nine Months Ended September 30,		Percentage Change
	2022	2021		2022	2021	
Cost of revenue	$ 52,603	$ 49,698	6%	$ 144,707	$ 142,335	2%
As a percent of revenue	15 %	14 %		15 %	14 %	

Cost of revenues is primarily comprised of costs associated with content fees, editorial and production costs and hosting costs. The increase in cost of revenues for the three months ended September 30, 2022 was primarily due to higher cost of revenues associated with newly acquired businesses, outside conference expense, field operations and media inventory and operations costs, including content fees, editorial and production costs, partially offset by approximately $3.4 million less in cost of revenues related to the sale of the B2B Backup business. The increase in cost of revenues for the nine months ended September 30, 2022 was primarily due to cost of revenues associated with newly acquired businesses, field operations costs, outside conference expense, customer service costs and database hosting services, partially offset by approximately $12.8 million less in cost of revenues related to the sale of the B2B Backup business.

Operating Expenses

Sales and Marketing.

(in thousands, except percentages)	Three Months Ended September 30,		Percentage Change	Nine Months Ended September 30,		Percentage Change
	2022	2021		2022	2021	
Sales and Marketing	$ 119,474	$ 126,577	(6)%	$ 361,013	$ 354,949	2%
As a percent of revenue	35 %	36 %		36 %	35 %	

Our sales and marketing costs consist primarily of internet-based advertising, sales and marketing, personnel costs and other business development-related expenses. Our internet-based advertising relationships consist primarily of fixed cost and performance-based (cost-per-impression, cost-per-click and cost-per-acquisition) advertising relationships with an array of online service providers. The decrease in sales and marketing expenses during the three months ended September 30, 2022 from the comparable period was primarily from lower selling and marketing expense within the Digital Media reportable segment due to lower third-party advertising expense, lower marketing expense within the Cybersecurity and Martech reportable segment and approximately $1.4 million lower sales and marketing expense from the absence of those costs related to the B2B Backup business. The increase in sales and marketing expenses during the nine months ended September 30, 2022 from the comparable period was primarily from higher sales and marketing expense from acquired businesses over the period and higher sales and marketing expenses in other parts of the Digital Media reportable segment, partially offset by $4.9 million lower sales and marketing expense from the absence of those costs related to the B2B Backup business.

Research, Development and Engineering.

(in thousands, except percentages)	Three Months Ended September 30,		Percentage Change	Nine Months Ended September 30,		Percentage Change
	2022	2021		2022	2021	
Research, Development and Engineering	$ 17,735	$ 19,619	(10)%	$ 55,883	$ 56,999	(2)%
As a percent of revenue	5 %	6 %		6 %	6 %	

Our research, development and engineering costs consist primarily of personnel-related expenses. The decrease in research, development and engineering costs for the three months ended September 30, 2022 compared to the prior year period was primarily due to a decrease in engineering costs driven in part by lower bonus expense, partially offset by an increase in business intelligence costs. The decrease in research, development and engineering costs for the nine months ended September 30, 2022 compared to the prior year period was primarily due to a decrease in engineering costs driven in part by lower bonus expense and the absence of engineering costs related to the B2B Backup business, partially offset by an increase in business intelligence and systems costs.

General and Administrative.

(in thousands, except percentages)	Three Months Ended September 30,		Percentage Change	Nine Months Ended September 30,		Percentage Change
	2022	2021		2022	2021	
General and Administrative	$ 95,658	$ 114,240	(16)%	$ 299,842	$ 339,236	(12)%
As a percent of revenue	28 %	32 %		30 %	34 %	

Our general and administrative costs consist primarily of personnel-related expenses, depreciation and amortization, changes in the fair value associated with contingent consideration, share-based compensation expense, bad debt expense, professional fees, severance and insurance costs. The decrease in general and administrative expense from the third quarter of 2021 to the third quarter of 2022 was primarily due to lower depreciation and amortization expense and a decrease in general management and finance costs, and the absence of general and administrative costs related to the B2B Backup business. The decrease in general and administrative expense from the first nine months of 2021 to the first nine months of 2022 was primarily due to lower depreciation and amortization expense, a decrease in general management, legal and finance costs, and the absence of general and administrative costs related to the B2B Backup business.

Goodwill impairment on business. Goodwill impairment was $27.4 million and zero for the three months ended September 30, 2022 and 2021, respectively, and $27.4 million and $32.6 million for the nine months ended September 30, 2022 and 2021, respectively. The goodwill impairment during the three and nine months ended September 30, 2022 was related to a reporting unit within the Digital Media reportable segment and the goodwill impairment during the nine months ended September 30, 2021 was generated from the impairment of the B2B Backup business in the second quarter of 2021. Refer to Note 7 - *Goodwill and Intangible Assets* for further details.

Share-Based Compensation

The following table represents share-based compensation expense included in cost of revenues and operating expenses in the accompanying Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2022 and 2021 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Cost of revenues	$ 63	$ 70	$ 289	$ 220
Operating expenses:				
Sales and marketing	772	335	2,447	879
Research, development and engineering	567	514	2,048	1,390
General and administrative	4,984	5,484	16,022	15,513
Total	$ 6,386	$ 6,403	$ 20,806	$ 18,002

Non-Operating Income and Expenses

Interest expense, net. Our interest expense, net is generated primarily from interest expense due on outstanding debt, partially offset by interest income earned on cash, cash equivalents and investments. Interest expense, net was $8.6 million and $14.5 million for the three months ended September 30, 2022 and 2021, respectively, and $28.4 million and $57.0 million for the nine months ended September 30, 2022 and 2021, respectively. Interest expense, net decreased during the three months ended September 30, 2022 primarily due to approximately $4.0 million less interest expense from the adoption of ASU 2020-06 during 2022, whereby we no longer amortize a debt discount on the 1.75% Convertible Notes, and approximately $2.9 million less interest expense from the 4.625% Senior Notes related to a lower principal balance over the period as the notes were repurchased. Interest expense, net decreased during the nine months ended September 30, 2022 primarily due to approximately $11.5 million less interest expense due to the redemption of our 3.25% Convertible Notes in August 2021, approximately $11.7 million less interest expense from the adoption of ASU 2020-06 during 2022 and approximately $6.8 million less interest expense from the 4.625% Senior Notes related to a lower principal balance over the period as the notes were repurchased.

Gain on debt extinguishment, net. Gain on debt extinguishment, net was $10.1 million and zero during the three months ended September 30, 2022 and 2021, respectively, and $11.5 million and zero during the nine months ended September 30, 2022 and 2021, respectively. The gains on debt extinguishment during the three and nine months ended September 30, 2022 related primarily to the repurchases of the 4.625% Senior Notes.

Loss on sale of businesses, net. Loss on sale of businesses, net was zero and $24.6 million for the three months ended September 30, 2022 and 2021, respectively. Loss on sale of businesses, net was zero and $21.8 million for the nine months ended September 30, 2022 and 2021, respectively. The loss on the sale of business during the third quarter of 2021 was related to the sale of our B2B Back-up business. The loss on the sale of businesses during the nine months ended September 30, 2021 was due to the loss on the sale of the B2B Back-up business, partially offset by a gain on the sale of certain Voice assets in the United Kingdom in the first quarter of 2021 with a subsequent adjustment in the second quarter of 2021.

Unrealized gain (loss) on short-term investment. Our unrealized gain on short-term investment was $4.2 million and zero during the three months ended September 30, 2022 and 2021, respectively, and our unrealized loss on short-term investment was $14.2 million and zero during the nine months ended September 30, 2022 and 2021, respectively. The unrealized gain (loss) recorded during the three and nine months ended September 30, 2022 was due to the unrealized gain (loss) on our Investment in Consensus.

Gain (loss) on investments, net. Our gain (loss) on investments, net is generated from gains or losses from investments in equity and debt securities. Our gain (loss) on investments, net was $0.5 million and zero for the three months ended September 30, 2022 and 2021, respectively, and $(47.8) million and $(16.7) million for the nine months ended September 30, 2022 and 2021, respectively. Our gain on investments, net increased for the three months ended September 30, 2022 versus the comparable period related to the realized gain on the sale of 500,000 shares from our investment in Consensus during the third quarter of 2022. The increase in the realized loss on investments, net for the nine months ended September 30, 2022 versus the prior comparable period related to the net realized loss on the sale of 2.8 million shares from our investment in Consensus during the first nine months of 2022 resulting from the decrease in the quoted share price of Consensus over the time period. The loss on investment during the nine months ended September 30, 2021 was due to an impairment on certain investments.

Other income (loss), net. Our other income (loss), net is generated primarily from miscellaneous items and gain or losses on foreign currency exchange. Other income (loss), net was $4.2 million and $0.1 million for the three months ended September 30, 2022 and 2021, respectively, and $13.0 million and $(0.5) million for the nine months ended September 30, 2022 and 2021, respectively. Other income (loss), net increased for the three and nine months ended September 30, 2022 compared to the prior year periods due primarily to gains on foreign currency exchange.

Income Taxes

Our effective tax rate is based on pre-tax income, statutory tax rates, tax regulations (including those related to transfer pricing) and different tax rates in the various jurisdictions in which we operate. The tax bases of our assets and liabilities reflect our best estimate of the tax benefits and costs we expect to realize. When necessary, we establish valuation allowances to reduce our deferred tax assets to an amount that will more likely than not be realized.

Provision for income taxes amounted to income tax (expense) benefit of $(18.1) million and $2.7 million for the three months ended September 30, 2022 and 2021, respectively, and $(33.2) million and $19.9 million for the nine months ended September 30, 2022 and 2021, respectively. Our effective tax rate was 45.9% and (44.2)% for the three months ended September 30, 2022 and 2021, respectively, and 83.9% and 142.3% for the nine months ended September 30, 2022 and 2021, respectively. Our effective tax rate for the three and nine months ended September 30, 2022 has been disproportionately impacted due to the size of the discrete book loss related to the Disposed Consensus Shares and the Retained Consensus Shares. The net loss recorded for book purposes for the Disposed Consensus Shares, excluding transaction costs, resulted in no tax benefit because the loss was not subject to tax since the Company disposed of the investment in a tax-free manner based on guidance and requirements set out by the Internal Revenue Service, within the one-year anniversary of the Separation. In addition, the Company recognized a tax charge of $11.3 million related to its Retained Consensus Shares due to recording a deferred tax liability as of September 30, 2022 as the Company did not dispose of the Retained Consensus Shares within the one-year anniversary of the Separation. This increase to tax expense was partially offset by a tax benefit of $6.7 million for recording a deferred tax asset on the impairment of goodwill recorded during the three months ended September 30, 2022.

The increase in our effective income tax rate for the three months ended September 30, 2022 as compared to the three months ended September 30, 2021 was primarily attributable to the following:

1. an increase in our effective income tax rate during 2022 due to recognizing a deferred tax liability related to the Retained Consensus Shares resulting in a tax expense of $11.3 million; and

2. an increase in our effective income tax rate during 2022 for U.S. state and local taxes due to a greater portion of our income being subject to tax in the U.S.; partially offset by

3. a decrease in our effective income tax rate during 2022 due to recognizing a tax benefit for a deferred tax asset related to goodwill impairment.

The decrease in our effective income tax rate for the nine months ended September 30, 2022 as compared to the nine months ended September 30, 2021 was primarily attributable to the following:

1. a disproportionate effective tax rate reported in 2021 due to an overall net loss reported in income from continuing operations before income taxes primarily due to the disposition and impairment of the B2B Backup business and other U.S. investments with corresponding tax benefits recognized; and

2. a discrete tax benefit recognized in 2021 related to a reduction in our net reserve for uncertain tax positions recognized in 2021 with no similar events for the nine months ended September 30, 2022; partially offset by

3. an increase in our effective income tax rate during 2022 due to recognizing a deferred tax liability related to the Retained Consensus Shares resulting in a tax expense of $11.3 million.

Significant judgment is required in determining our provision for income taxes and in evaluating our tax positions on a worldwide basis. We believe our tax positions, including intercompany transfer pricing policies, are consistent with the tax laws in the jurisdictions in which we conduct our business. Certain of these tax positions have in the past been, and are currently being, challenged, and this may have a significant impact on our effective tax rate if our tax reserves are insufficient.

Equity Method Investment

(Loss) income from equity method investment, net. (Loss) income from equity method investment, net is generated from our investment in the OCV Fund I, LP (the "Fund") for which we receive annual audited financial statements. The investment in the Fund, including management fees, is presented net of tax and on a one-quarter lag due to the timing and availability of financial information from the Fund. If the Company becomes aware of a significant decline in value that is other-than-temporary, the loss will be recorded in the period in which the Company identifies the decline.

The (loss) income from equity method investment, net was $(3.2) million and $(1.9) million net of tax benefit for the three months ended September 30, 2022 and 2021, respectively, and $(10.1) million and $16.6 million, for the nine months ended September 30, 2022 and 2021, respectively. The decrease in income from equity method investment, net during the three and nine months ended September 30, 2022 was primarily due to a decrease in the value of the underlying investments. During the three months ended September 30, 2022. the Company recognized no expense for management fees, and during the three months ended September 30, 2021, the Company recognized expense for management fees of $0.8 million, net of tax benefit. During the nine months ended September 30, 2022 and 2021, the Company recognized expense for management fees of $1.5 million and $2.3 million, net of tax benefit, respectively.

Digital Media and Cybersecurity and Martech Results

Our businesses are based on the organization structure used by management for making operating and investment decisions and for assessing performance and have been aggregated into two reportable segments: (i) Digital Media and (ii) Cybersecurity and Martech.

We evaluate the performance of our reportable segments based on revenues, including both external and inter-business net sales, and operating income. We account for inter-business sales and transfers based primarily on standard costs with reasonable mark-ups established between the businesses. Identifiable assets by business are those assets used in the respective business' operations. Corporate assets consist of cash and cash equivalents, deferred income taxes and certain other assets. All significant inter-business amounts are eliminated to arrive at our consolidated financial results.

Digital Media

The financial results are presented as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
External sales	$ 263,684	$ 262,162	$ 756,722	$ 742,729
Inter-business sales	212	267	701	551
Total sales	263,896	262,429	757,423	743,280
Cost of revenues	30,797	23,779	80,682	69,871
Gross profit	232,887	238,650	676,040	673,409
Operating expenses	205,570	188,950	571,980	548,960
Operating income	$ 27,317	$ 49,700	$ 104,060	$ 124,449

Digital Media's net sales of $263.9 million for the three months ended September 30, 2022 increased $1.5 million, or 0.6%, compared to the prior year period primarily due to acquisitions and organic growth in certain of its businesses. Digital Media's net sales of $757.4 million for the nine months ended September 30, 2022 increased $14.1 million, or 1.9%, compared to the prior year period primarily due to acquisitions and organic growth in certain of its businesses.

Digital Media's gross profit of $232.9 million for the three months ended September 30, 2022 decreased $5.8 million, or 2.4%, compared to the prior year period primarily due to costs associated with newly acquired businesses. Digital Media's gross profit of $676.0 million for the nine months ended September 30, 2022 increased $2.6 million, or 0.4%, compared to the prior year period primarily due to the increase in revenue.

Digital Media's operating expenses of $205.6 million for the three months ended September 30, 2022 increased $16.6 million, or 8.8%, compared to the prior year period. Digital Media's operating expenses of $572.0 million for the nine months ended September 30, 2022 increased $23.0 million, or 4.2%, compared to the prior year period. The increase in the three and nine months ended September 30, 2022 is primarily due to impairment of goodwill.

As a result of these factors, Digital Media's operating income of $27.3 million for the three months ended September 30, 2022 decreased $22.4 million, or 45.0%, compared to the prior year period. Digital Media's operating income of $104.1 million for the nine months ended September 30, 2022 decreased $20.4 million, or 16.4%, compared to the prior year period.

Cybersecurity and Martech

The financial results are presented as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
External sales	$ 78,190	$ 92,982	$ 237,576	$ 265,365
Inter-business sales	2	89	20	215
Total sales	78,192	93,071	237,596	265,580
Cost of revenues	21,595	26,187	63,325	72,942
Gross profit	56,595	66,884	174,251	192,638
Operating expenses	42,765	56,208	135,516	191,282
Operating income	$ 13,830	$ 10,676	$ 38,735	$ 1,356

Cybersecurity and Martech net sales of $78.2 million for the three months ended September 30, 2022 decreased $14.9 million, or 16.0%, compared to the prior year period primarily due to the absence of approximately $9.6 million of revenue from the B2B Backup business that was sold during the third quarter of 2021, offset in part by organic growth in certain of its businesses. Cybersecurity and Martech net sales of $237.6 million for the nine months ended September 30, 2022 decreased $28.0 million, or 10.5%, compared to the prior year period primarily due to the absence of approximately $33.5 million of revenue from the B2B Backup business that was sold during the third quarter of 2021, partially offset by revenue from business acquisitions.

Cybersecurity and Martech gross profit of $56.6 million for the three months ended September 30, 2022 decreased $10.3 million, or 15.4%, compared to the prior year period primarily due to the sale of the B2B Backup business during the third quarter of 2021, partially offset by organic growth from certain of its businesses. Cybersecurity and Martech gross profit of $174.3 million for the nine months ended September 30, 2022 decreased $18.4 million, or 9.5%, compared to the prior year period primarily due to the sale of the B2B Backup business during the third quarter of 2021, partially offset by business acquisitions.

Cybersecurity and Martech operating expenses of $42.8 million for the three months ended September 30, 2022 decreased $13.4 million, or 23.9%, compared to the prior year period primarily due to the sale of the B2B Backup business during the third quarter of 2021. Cybersecurity and Martech operating expenses of $135.5 million for the nine months ended September 30, 2022 decreased $55.8 million, or 29.2%, compared to the prior year period primarily due to the sale of the B2B Backup business during the third quarter of 2021 and related goodwill impairment recorded.

As a result of these factors, Cybersecurity and Martech operating income of $13.8 million for the three months ended September 30, 2022 increased $3.2 million, or 29.5%, from the prior comparable period. Cybersecurity and Martech operating income of $38.7 million for the nine months ended September 30, 2022 increased $37.4 million, or 2756.6%, from the prior comparable period.

Liquidity and Capital Resources

Cash and Cash Equivalents and Investments

As of September 30, 2022, we had cash, cash equivalents and investments of $801.0 million compared to $1,046.6 million at December 31, 2021. At September 30, 2022, cash, cash equivalents and investments consisted of cash and cash equivalents of $621.9 million, short-term investments in equity securities of $54.9 million and long-term investments of $124.2 million. As of September 30, 2022, cash, cash equivalents and investments held within domestic and foreign jurisdictions were $682.6 million and $118.5 million, respectively.

On September 25, 2017, the Company entered into a commitment to invest $200 million (approximately 76.6% of equity) in the "Fund". The manager, OCV Management, LLC, and general partner of the Fund are entities with respect to which Richard S. Ressler, former Chairman of the Board of Directors (the "Board") of the Company, is indirectly the majority equity holder. Mr. Ressler's tenure with the Board of Directors of the Company ended as of May 10, 2022. As a limited partner in the Fund, prior to the settlement of certain litigation generally related to the Company's investment in the Fund, in January 2022, the Company paid an annual management fee to the manager equal to 2.0% of capital commitments. In addition, subject to the terms and conditions of the Fund's limited partnership agreement, once the Company has received distributions equal to its invested capital, the Fund's general partner would be entitled to a carried interest equal to 20%. The Fund has a six year investment period, subject to certain exceptions. The commitment was approved by the Audit Committee of the Board in accordance with the Company's related-party transaction approval policy. At the time of the settlement of the litigation, the Company had invested approximately $128.8 million in the Fund. In connection with the settlement of the litigation, among other terms, no further capital calls will be made in connection with our investment in the Fund, nor will any management fees be paid by the Company to the manager. For more information related to the litigation, see Note 9 – *Commitments and Contingencies* in Item 1 of Part I of this Quarterly Report on Form 10-Q, which is incorporated by reference into this Part I Item 2 for additional information.

Financings

On June 10, 2022, we entered into a Fifth Amendment to our Credit Agreement, which provided for the Term Loan Facility, in an aggregate principal amount of $90.0 million, which had a maturity date that was 60 days following the date of funding of the Term Loan Facility. On September 15, 2022, the Company entered into a Sixth Amendment to its existing Credit Agreement, which provided for the Term Loan Two Facility (together with the Term Loan Facility, collectively, "Term Loan Facilities"). During June 2022, the Company subsequently completed a non-cash exchange of the 2.3 million shares of its common stock of Consensus with certain selling shareholders of Consensus to settle the Company's obligations of $90.0 million outstanding aggregate principal amount of the Term Loan Facility plus related interest and the corresponding underwriting fees. During September 2022, the Company subsequently completed a non-cash exchange of the 0.5 million shares of its common stock of Consensus with certain selling shareholders of Consensus to settle the Company's obligations of $22.3 million outstanding aggregate principal amount of the Term Loan Two Facility plus related interest and the corresponding underwriting fees.

As of September 30, 2022 and December 31, 2021, there were no amounts drawn under the Credit Agreement.

During the nine months ended September 30, 2022, the Company repurchased approximately $181.2 million in aggregate principal amount of the 4.625% Senior Notes for an aggregate purchase price of approximately $167.7 million.

Material Cash Requirements

Our long-term contractual obligations generally include our debt and related interest payments, noncancellable operating leases, holdback amounts in connection with certain business acquisitions, commitments related to the transition tax on unrepatriated foreign earnings, incurred but not paid amounts of self-insurance as well as other commitments. As of September 30, 2022, we and our subsidiaries had outstanding $1.0 billion in aggregate principal amount of indebtedness, of which we repurchased $105.1 million during the three months ended September 30, 2022. As of September 30, 2022, our total minimum lease payments are $64.9 million, of which approximately $23.9 million are due in the succeeding twelve months. As of September 30, 2022, our liability for uncertain tax positions was $45.4 million. There were no material changes to our cash requirements during the three months ended September 30, 2022.

We currently anticipate that our existing cash and cash equivalents and cash generated from operations will be sufficient to meet our anticipated needs for working capital, capital expenditures and stock repurchases, if any, for at least the next 12 months.

Cash Flows

Our Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2021 include the activity from the cloud fax business, which was separated from the Company on October 7, 2021. Refer to Note 5 – *Discontinued Operations* in Item 1 of Part I of this Quarterly Report on Form 10-Q, which is incorporated by reference into this Part I Item 2 for additional information. Our primary sources of liquidity are cash flows generated from operations, together with cash and cash equivalents.

Net cash provided by operating activities was $293.2 million and $430.3 million for the nine months ended September 30, 2022 and 2021, respectively. Our operating cash flows resulted primarily from cash received from our customers offset by cash payments we made to third parties for their services, employee compensation and interest payments associated with our debt. The decrease in our net cash provided by operating activities during the nine months ended September 30, 2022 compared to 2021 period is attributable to lower earnings before non-cash adjustments, primarily as a result of the Separation, partially offset by an increase in income tax payable and our gains on equity investments in 2022. Our cash and cash equivalents were $621.9 million and $694.8 million at September 30, 2022 and December 31, 2021, respectively.

Net cash used in investing activities was $199.9 million and $159.6 million for the nine months ended September 30, 2022 and 2021, respectively. The increase in our net cash used in investing activities during the nine months ended September 30, 2022 compared to 2021 period was primarily related to the absence of proceeds from the sale of businesses during 2021 of approximately $48.9 million and higher purchases of investments, net of proceeds, partially offset by lower cash used for the acquisition of business and purchases of property, plant and equipment.

Net cash used in financing activities was $141.8 million and net cash provided by financing activities was $39.8 million for the nine months ended September 30, 2022 and 2021, respectively. The increase in the net cash used in financing activities during the nine months ended September 30, 2022 compared to 2021 period was primarily related to lower proceeds from debt borrowings, net of repayments and an increase of in share repurchases.

Stock Repurchase Program

On August 6, 2020, our Board of Directors approved a program authorizing the repurchase of up to ten million shares of our common stock through August 6, 2025 (the “2020 Program”). In connection with the authorization, the Company entered into certain Rule 10b5-1 trading plans with a broker-dealer to facilitate the repurchase program.

During the three months ended September 30, 2022, the Company repurchased zero shares under the 2020 Program. The number of shares available for purchase as of September 30, 2022 is 6,327,154 shares of the Company’s common stock.

Cumulatively at September 30, 2022, 3,672,846 shares were repurchased at an aggregate cost of $296.9 million (including an immaterial amount of commission fees) under the 2020 Program. These shares were subsequently retired.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The following discussion of the market risks we face contains forward-looking statements. Forward-looking statements are subject to risks and uncertainties. Actual results could differ materially from those discussed in forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. Ziff Davis undertakes no obligation to revise or publicly release the results of any revision to these forward-looking statements. Readers should carefully review the risk factors described in this document and in the other documents incorporated by reference herein, including our Annual Report on Form 10-K for the year ended December 31, 2021 as well as in other documents we file from time to time with the SEC, including the Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K filed or to be filed by us in 2022.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our investment portfolio and borrowings under our Credit Facility that bear variable market interest rates. The primary objectives of our investment activities are to preserve our principal while at the same time maximizing yields without significantly increasing risk. To achieve these objectives, we maintain our portfolio of cash equivalents and investments in a mix of instruments that meet high credit quality standards, as specified in our investment policy or otherwise approved by the Board of Directors. Our cash and cash equivalents are not subject to significant interest rate risk due to the short maturities of these instruments. As of September 30, 2022, the carrying value of our cash and cash equivalents approximated fair value. Our return on these investments is subject to interest rate fluctuations.

As of September 30, 2022 and December 31, 2021, we had cash and cash equivalent investments primarily in demand deposit accounts with maturities of 90 days or less of $621.9 million and $694.8 million, respectively. We do not have interest rate risk on our outstanding long-term debt as these arrangements have fixed interest rates.

We cannot ensure that future interest rate movements will not have a material adverse effect on our future business, prospects, financial condition, operating results and cash flows. To date, we have not entered into interest rate hedging transactions to control or minimize certain of these risks.

Market Risk

In connection with the Separation, we retained an interest in Consensus, which was valued at approximately $54.9 million as of September 30, 2022, based upon the quoted market price of Consensus common stock. Our results of operations and financial condition have been and may be materially impacted by increases or decreases in the price of Consensus common stock, which is traded on the Nasdaq Global Select Market. The Company recorded a realized gain of approximately $0.5 million and an unrealized gain of approximately $4.2 million on its investment in Consensus during the three months ended September 30, 2022. The Company recorded a realized loss of approximately $47.8 million and an unrealized loss of approximately $14.2 million on its investment in Consensus during the nine months ended September 30, 2022. The carrying value of our investment in Consensus at September 30, 2022 was $54.9 million, or approximately 1.6% of the Company's consolidated total assets. A $2.00 increase or decrease in the share price of Consensus common stock would result in an unrealized gain or loss, respectively, of approximately $2.3 million.

Foreign Currency Risk

We conduct business in certain foreign markets, primarily in Canada, the United Kingdom, Australia, and the European Union. Our principal exposure to foreign currency risk relates to investment and inter-company debt in foreign subsidiaries that transact business in functional currencies other than the U.S. Dollar, primarily the Canadian Dollar, the British Pound Sterling, Australian Dollar, the Euro, the Japanese Yen, the New Zealand Dollar, and the Norwegian Kroner. If we are unable to settle our inter-company debts in a timely manner, we remain exposed to foreign currency fluctuations.

As we expand our international presence, we become further exposed to foreign currency risk by entering new markets with additional foreign currencies. The economic impact of currency exchange rate movements is often linked to variability in real growth, inflation, interest rates, governmental actions and other factors. These changes, if material, could cause us to adjust our financing and operating strategies.

As currency exchange rates change, translation of the income statements of the international businesses into U.S. Dollars affects year-over-year comparability of operating results, the impact of which is immaterial to the comparisons set forth in this Quarterly Report on Form 10-Q.

Historically, we have not hedged translation risks because cash flows from international operations were generally reinvested locally; however, we may do so in the future. Our objective in managing foreign exchange risk is to minimize the potential exposure to changes that exchange rates might have on earnings, cash flows and financial position.

During the three months ended September 30, 2022 and 2021, foreign exchange gains amounted to $3.4 million and $0.2 million, respectively. During the nine months ended September 30, 2022 and 2021, foreign exchange gains (losses) amounted to $12.3 million and ($0.6 million), respectively.

Cumulative translation adjustments, net of tax, included in other comprehensive income for the three months ended September 30, 2022 and 2021 were $24.8 million and $11.1 million, respectively, and for the nine months ended September 30, 2022 and 2021 were $55.3 million and $16.3 million, respectively

We currently do not have derivative financial instruments for hedging, speculative or trading purposes and therefore are not subject to such hedging risk. However, we may in the future engage in hedging transactions to manage our exposure to fluctuations in foreign currency exchange rates.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in the Company's reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including the principal executive officer and the principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As of September 30, 2022, under the supervision and with the participation of Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), management carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this Quarterly Report on Form 10-Q due to a material weakness in internal control over financial reporting identified in our 2021 Form 10-K for the year ended December 31, 2021, as described below.

During the year ended December 31, 2021, we determined that we did not design and maintain effective controls over the accounting for certain elements related to the Consensus Cloud Solutions, Inc. ("Consensus") spin-off resulting in a material weakness. This material weakness is described in more detail in our Annual Report on Form 10-K for the year ended December 31, 2021.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. As a result of the material weakness in internal control over financial reporting described above, management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2021.

Notwithstanding the conclusion that our disclosure controls and procedures were not effective as of the end of the period covered by this report, we believe that our condensed consolidated financial statements and other information contained in this quarterly report present fairly, in all material respects, our business, financial condition and results of operations for the interim periods presented.

Remediation Efforts and Status of the Material Weakness

To remediate the material weakness, our management is in the process of enhancing and revising the design of existing controls and procedures over our accounting for significant unusual transactions. These controls relate to the research, analysis and documentation supporting our management's evaluations, judgments, and conclusions that are required in order to account for significant unusual transactions. We will enhance our approach to and the execution of the research, analysis, and documentation related to these matters. Our process of consulting third party experts will also be enhanced and we will continue to include outreach to and coordination with experts with the relevant knowledge and experience to assist our management with the evaluation of our accounting for significant unusual transactions.

We believe that these actions will remediate the material weakness. The material weakness will not be considered remediated, however, until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that the remediation of this material weakness will be completed no later than December 31, 2022.

Management's Report on Internal Control over Financial Reporting

Other than in respect of the remediation activities undertaken in connection with the material weakness described above, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) which occurred during the quarter ended September 30, 2022 covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See discussion of legal proceedings in Note 9 – *Commitments and Contingencies* in Item 1 of Part I of this Quarterly Report on Form 10-Q, which is incorporated by reference into this Item 1 of Part II.

Item 1A. Risk Factors

There has not been material change in our risk factors since filing of our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

On August 6, 2020, our Board of Directors approved a program authorizing the repurchase of up to ten million shares of our common stock through August 6, 2025 (the "2020 Program"). In connection with the authorization, the Company entered into certain Rule 10b5-1 trading plans with a broker-dealer to facilitate the repurchase program. During the three months September 30, 2022, zero shares were repurchased under the 2020 Program.

Cumulatively, as of September 30, 2022, 3,672,846 shares were repurchased at an aggregate cost of $296.9 million (including an immaterial amount of commission fees) under the 2020 Program. These shares were subsequently retired. See Note 11 - *Stockholders' Equity* in Item 1 of Part I of this Quarterly Report on Form 10-Q, which is incorporated by reference into this Item 1of Part II.

The following table details the repurchases that were made under and outside the 2020 Program during the three months ended September 30, 2022:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Program	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Program(2)
July 1, 2022 - July 31, 2022	—	$ —	—	6,327,154
August 1, 2022 - August 31, 2022	865	$ 82.47	—	6,327,154
September 1, 2022 - September 30, 2022	1,736	$ 75.10	—	6,327,154
Total	2,601		—	6,327,154

(1) Includes shares surrendered to the Company to pay the exercise price and/or to satisfy tax withholding obligations in connection with employee stock options and/or the vesting of restricted stock issued to employees.

(2) As of the last day of the applicable month.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of J2 Global, Inc., dated as of June 10, 2014 (1)
3.2	Amendment to the Amended and Restated Certificate of Incorporation of J2 Global, Inc., dated as of September 5, 2019 (2)
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Ziff Davis, Inc. dated as of October 7, 2021 (3)
3.4	Fifth Amended and Restated By-Laws (4)
10.1	Employment Agreement between Ziff Davis, Inc. and Layth Taki, effective as of September 27, 2022*
10.2	Separation and Release of Claims Agreement between Steve Dunn and Ziff Davis, Inc.*
10.3	Sixth Amendment to Credit Agreement, dated as of September 15, 2022, among Ziff Davis, Inc., the Guarantors, the lenders party to Amendment constituting Required Lenders and all of the Term Loan Two Lenders and MUFG UNION BANK, N. A., as administrative agent for the Lenders.
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
32.2	Certification of Principal Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350
101.INS	Inline XBRL Instance Document**
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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* A management or compensatory plan or arrangement required to be filed as an exhibit to this report pursuant to Item 601(b)(10)(ii) of Regulation S-K.

** This instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

(1) Incorporated by reference to Ziff Davis' Current Report on Form 8-K filed with the Commission on June 10, 2014.

(2) Incorporated by reference to Ziff Davis' Current Report on Form 8-K filed with the Commission on November 1, 2019.

(3) Incorporated by reference to Ziff Davis' Current Report on Form 8-K filed with the Commission on October 8, 2021.

(4) Incorporated by reference to Ziff Davis' Quarterly Report on Form 10-Q filed with the Commission on November 9, 2021.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ZIFF DAVIS, INC.
(registrant)

Date:	November 9, 2022	By:	/s/ VIVEK SHAH Vivek Shah Chief Executive Officer and a Director (Principal Executive Officer)
Date:	November 9, 2022	By:	/s/ BRET RICHTER Bret Richter Chief Financial Officer (Principal Financial Officer)
Date:	November 9, 2022	By:	/s/ LAYTH TAKI Layth Taki Chief Accounting Officer (Principal Accounting Officer)

Exhibit 10.1

EMPLOYMENT AGREEMENT

Employment Agreement (the "Agreement"), dated as of September 27, 2022, by and between Ziff Davis, Inc., a Delaware corporation (together with its affiliates, the "Company") and Layth Taki ("Executive").

Recitals

WHEREAS, Executive is to be engaged by the Company as its Chief Accounting Officer and the Company and Executive desire to set forth the terms of Executive's employment with the Company;

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth below, the parties hereby agree as follows:

Agreement

1. Employment. The Company hereby agrees to employ Executive, and Executive hereby accepts such employment, on the terms and conditions hereinafter set forth.

2. Term. The term of Executive's employment hereunder by the Company will commence on September 27, 2022 (the "Effective Date") and will continue until the earlier of (i) the three (3) year anniversary of the Effective Date (such three (3) year period, the "Initial Term") and (ii) the termination of Executive's employment with the Company for any reason, as described in this Agreement. Following the Initial Term, the period of Executive's employment pursuant to this Agreement will be extended automatically for one (1) year periods (each successive one (1) year period, a "Renewal Term") unless either party notifies the other party of nonrenewal at least three hundred sixty-five (365) days prior to the end of the Initial Term or the then current Renewal Term, as applicable. Each additional Renewal Term shall be added to the end of the next scheduled expiration date of the then current Initial Term or Renewal Term, as applicable. Executive's period of employment pursuant to this Agreement shall hereinafter be referred to as the "Employment Period".

3. Position and Duties. During the Employment Period, Executive will serve as the Company's Chief Accounting Officer and will report to the Company's Chief Financial Officer. Executive will have duties and authority consistent with such position and such other duties as the Company's Chief Financial Officer may assign to Executive from time to time. Executive agrees to devote substantially all of Executive's business time and attention to the performance of Executive's duties for the Company. Without the consent of the Company, during the Employment Period, Executive will not undertake any outside business commitments, including service on the board of directors, trustees or any similar governing body of any for-profit entity. Notwithstanding the above, Executive will be permitted, to the extent such activities do not interfere with Executive's performance of Executive's duties and responsibilities hereunder or violate Section 9(a), (b), (c) or (d) of this Agreement, to manage Executive's personal, financial and legal affairs and serve on civic or charitable boards or committees.

4. Place of Performance. The primary physical place of employment of Executive will be at the Company's offices in New York.

5. Compensation and Related Matters.

(a) *Base Salary*. Executive's current base salary is $400,000 per year ("Base Salary"), and is payable in approximately equal installments in accordance with the Company's customary payroll practices.

(b) *Annual Bonus*. Executive is eligible to participate in any annual bonus plan that the Company may implement for senior executives of the Company at any time during the Employment Period. Executive's current annual bonus ("Annual Bonus") target is $200,000 payable, to the extent earned, in accordance with the terms of the Company's annual bonus plan applicable to Executive.

(c) *Annual Long-Term Incentive Awards*. During the Employment Period, Executive is eligible to participate in any long-term incentive compensation plans generally made available to senior executives of the Company.

(d) *Benefits*. During the Employment Period, Executive is entitled to participate in the benefit plans and programs made available to the Company's employees generally, as such plans and programs may be in effect from time to time.

(e) *Expense Reimbursement*. The Company will promptly reimburse Executive for all reasonable business expenses upon the presentation of reasonably itemized statements of such expenses in accordance with the Company's policies and procedures now in force or as such policies and procedures may be modified with respect to all senior executives of the Company.

6. Reasons for Termination of Employment. Executive's employment under this Agreement will terminate and the Employment Period shall end, upon the earliest to occur of any of the following events. Effective as of the date of any termination of Executive's employment for any reason (the date on which Executive's employment terminates, the "Termination Date"), Executive hereby agrees to tender Executive's resignation from, and will be deemed to have automatically resigned from, all offices and directorships held at the Company and any of its Affiliates at the date of such termination.

(f) *Death*. Executive's employment hereunder will terminate upon Executive's death.

(g) *Disability*. If, as a result of Executive's incapacity due to physical or mental illness, Executive will have been substantially unable to perform Executive's duties hereunder for a continuous period of one hundred and eighty (180) days, the Company may terminate Executive's employment hereunder for "Disability."

(h) *Cause*. The Company may terminate Executive's employment for Cause. For purposes of this Agreement, the Company will have "Cause" to terminate Executive's employment upon Executive's: (i) conviction of, or plea of guilty or nolo contendere to, a felony or any crime involving fraud, embezzlement or moral turpitude; (ii) willful and continued failure substantially to perform duties and obligations to the Company (other than any such failure resulting from incapacity due to physical or mental illness); (iii) misconduct that is materially injurious (including injury to reputation) to the Company or its affiliates; (iv) material violation of any applicable employee handbook (including any code of conduct) of the Company; or (v) material violation of any contract or agreement between Executive and the Company or any of its affiliates, or of any duty owed to the Company or any of its affiliates; provided that with respect to items (ii), (iii), and (iv) to the extent any such action by Executive is curable, as determined by the Company in good faith, Cause shall exist only if Executive fails to cure such action(s) within ten (10) business days after the Board has provided Executive with written notice specifying the action(s) which it deems is a basis for a termination for Cause.

(i) *Good Reason*. Executive may terminate Executive's employment for "Good Reason" within ninety (90) days after Executive has actual knowledge of the occurrence, without the written consent of Executive, of one of the following events that has not been cured within thirty (30) days after written notice thereof has been given by Executive to the Company setting forth in reasonable detail the basis of the event (provided that such notice must be given to the Company within thirty (30) days of Executive becoming aware of such condition): (i) a material reduction by the Company in Executive's Base Salary, Annual Bonus opportunity, or grant date value (or its equivalent) of long-term incentive compensation awards, in each case, other than a uniform cross-executive team reduction that does not exceed ten percent (10%) of Executive's total target compensation; (ii) a material diminution in Executive's authority, duties or responsibilities; (iii) a relocation of Executive's primary physical location of employment to a location more than thirty (30) miles outside of New York, New York or more than thirty (30) miles further from Executive's residence at the time of such relocation; or (iv) a material breach of this Agreement by the Company.

(j) *Without Cause*. The Company may terminate Executive's employment for any reason during the Term at any time.

(k) *Without Good Reason*. Executive may terminate Executive's employment during the Term at any time upon not less than one (1) months' notice.

7. Compensation upon Termination of Employment. Except as provided in this Section 7, Executive will not be entitled to any payments or benefits from the Company as a result of the termination of Executive's employment, regardless of the reason for such termination.

(l) *Termination for Any Reason*. Following the termination of Executive's employment, regardless of the reason for such termination and including, without limitation, a termination of Executive's employment by the Company for Cause or by Executive without Good Reason or upon expiration of the Employment Period, the Company will pay Executive (or Executive's estate in the event of Executive's death) as soon as practicable following the Termination Date (i) any compensation earned but not yet paid, including and without limitation, any amount of Base Salary earned but unpaid and any accrued vacation pay payable pursuant to the Company's policies, (ii) any unreimbursed business expenses payable pursuant to Section 5(e), and (iii) any other compensation and/or benefits as may be due or payable to Executive in accordance with the terms and provisions of any employee benefit plans or programs of the Company.

(m) *Termination by Company without Cause or by Executive for Good Reason*. If Executive's employment is terminated by the Company without Cause or by Executive for Good Reason, Executive will be entitled to the payments and benefits provided in Section 7(a) hereof and, in addition, the Company will, subject to Section 7(d), provide to Executive (i) an amount equal to the Severance Amount, (ii) the Pro Rata Bonus, (iii) the Medical Benefits and (iv) the Equity Vesting Benefits.

(i) The "Severance Amount" will be equal to:

(A) if such termination is (1) within three (3) months prior to, and is in connection with, a Change in Control of the Company, and the Change in Control is consummated, or (2) within two (2) years following a Change in Control of the Company (a "Qualifying CIC Termination"), two (2) times the sum of Executive's then current: (x) Base Salary, and (y) target Annual Bonus, payable in a lump sum no later than sixty (60) days after the Termination Date; provided that, in no event, shall Base Salary or target Annual Bonus be lower than the amounts reflected in Sections 5(a) and 5(b) respectively for purposes of this Section 7(b)(i)(A); or

(B) if such termination is not a Qualifying CIC Termination, one (1) times the sum of Executive's then current (x) Base Salary, and (y) target Annual Bonus, payable in equal installments over a period of twelve (12) months in accordance with the Company's standard payroll procedures commencing no later than sixty (60) days after Executive's Termination Date; provided that, in no event, shall Base Salary or target Annual Bonus be lower than the amounts reflected in Sections 5(a) and 5(b) respectively for purposes of this Section 7(b)(i)(B).

(i) The "Pro Rata Bonus" will be equal to (1) the then current Annual Bonus earned in the year of termination based on actual Company performance at the end of the performance period, multiplied by the number of days in the year up to and including the Termination Date and divided by 365; *plus* (2) any unpaid Annual Bonus for the year preceding the year of termination if the relevant measurement period for such bonus concluded prior to the Termination Date, provided that Executive shall not be required to meet any continuing employment requirement to receive any such unpaid Annual Bonus. The Pro Rata Bonus will be in a lump sum when bonuses for the applicable period are paid to the Company's other executive officers, but, in any event, in the fiscal year following the fiscal year in which such Annual Bonus is earned.

(ii) The "Medical Benefits" require the Company to provide Executive group health benefits as if Executive were an employee of the Company (which may be provided pursuant to the Consolidated Omnibus Budget Reconciliation Act) for twelve (12) months (provided that in the event of CIC Qualifying Termination, such benefits will be provided for eighteen (18) months) following the Termination Date. If this agreement to provide benefits continuation raises any compliance issues or impositions of penalties under the Patient Protection and Affordable Care Act or any other applicable law, then the parties agree to modify this Agreement so that it complies with the terms of such laws.

(iii) The "Equity Vesting Benefits" mean:

(C) if such termination is a Qualifying CIC Termination, then the treatment of Executive's Company equity awards (or equity awards issued to Executive in replacement of such Company equity awards in connection with a Change in Control) that remain outstanding and unvested as the Termination Date shall be governed by the Company's j2 Global, Inc. 2015 Stock Option Plan (or any successor plan) and any award agreements thereunder; or

(D) notwithstanding anything to the contrary set forth in Executive's equity award agreements, if such termination is not a Qualifying CIC Termination, then (1) all of Executive's then-outstanding and unvested time-based equity awards that would have vested during the twelve (12) month period following the Termination Date will become vested in full, and (2) all of Executive's then-outstanding and unvested performance-based equity awards will remain outstanding and eligible to vest during the twelve (12) month period following the Termination Date.

(ii) "Change in Control" will have the meaning set forth in the j2 Global, Inc. 2015 Stock Option Plan.

(n) *Death/Disability*. In the event Executive's employment is terminated by Executive's death, or due to Executive's Disability pursuant to Section 6(b), (i) Executive (or Executive's beneficiary, legal representative or estate, as the case may be) will be entitled to the payments and benefits provided in Section 7(a) hereof and to the Pro Rata Bonus, and (ii) the treatment of Executive's Company equity awards (or equity awards issued to Executive in replacement of such Company equity awards in connection with a Change in Control) that remain outstanding and unvested as the Termination Date shall be governed by the Company's j2 Global, Inc. 2015 Stock Option Plan (or any successor plan) and any award agreements thereunder.

(o) *Condition to Payment*. Executive's right to receive any payments and benefits set forth in this Section 7 (other than payments and benefits provided in Section 7(a) hereof and other than in the event of Executive's death) is conditioned upon Executive's (i) execution, delivery and non-revocation of a general release agreement (the "Release") in substantially the form used by the Company by the fifty-fifth (55^{th}) day after Executive's Termination Date and (ii) ongoing compliance in all material respects with the restrictive covenants set forth in Section 9 hereof.

8. Section 280G. In the event that any payments or benefits otherwise payable to Executive (1) constitute "parachute payments" within the meaning of Section 280G of the Code, and (2) but for this Section 8, would be subject to the excise tax imposed by Section 4999 of the Code, then such payments and benefits will be either (x) delivered in full, or (y) delivered as to such lesser extent that would result in no portion of such payments and benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income and employment taxes and the excise tax imposed by Section 4999 of the Code (and any equivalent state or local excise taxes), results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such payments and benefits may be taxable under Section 4999 of the Code. Any reduction in payments and/or benefits required by this provision will occur in the following order: (1) reduction of cash payments; (2) reduction of vesting acceleration of equity awards; and (3) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant for equity awards. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis.

9. Confidential Information, Ownership of Documents; Non-Competition; Non-Solicitation.

(p) *Confidential Information*. During the Employment Period and thereafter, Executive will hold in a fiduciary capacity for the benefit of the Company all trade secrets and confidential information, knowledge or data relating to the Company and its businesses and investments, which will have been obtained by Executive during Executive's employment by the Company and which is not generally available public knowledge (other than by acts by Executive in violation of this Agreement). Except as may be required or appropriate in connection with carrying out Executive's duties under this Agreement, Executive will not, without the prior written consent of the Company or as may otherwise be required by law or any legal process, any statutory obligation or order of any court or statutory tribunal of competent jurisdiction, or as is necessary in connection with any adversarial proceeding against the Company (in which case Executive will use Executive's reasonable best efforts in cooperating with the Company in obtaining a protective order against disclosure by a court of competent jurisdiction), communicate or divulge any such trade secrets, information, knowledge or data to anyone other than the Company and those designated by the Company or on behalf of the Company in the furtherance of its business or to perform duties hereunder. Notwithstanding anything to the contrary in this Agreement or otherwise, nothing shall limit Executive's rights under applicable law to provide truthful information to any governmental entity or to file a charge with or participate in an investigation conducted by any governmental entity. Notwithstanding the foregoing, Executive agrees to waive Executive's right to recover monetary damages in connection with any such charge, complaint or lawsuit filed by Executive or anyone else on Executive's behalf; provided that Executive is not agreeing to waive, and this Agreement shall not be read as requiring Executive to waive, any right Executive may have to receive an award for information provided to any governmental entity. Executive is hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (2) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (3) to Executive's attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order.

(q) *Removal of Documents; Rights to Products*. Executive may not remove any records, files, drawings, documents, models, equipment, and the like relating to the Company's business from the Company's premises without its written consent, unless such removal is in the furtherance of the Company's business or is in connection with Executive's carrying out Executive's duties under this Agreement and, if so removed, they will be returned to the Company promptly after termination of Executive's employment hereunder, or otherwise promptly after removal if such removal occurs following termination of employment. Executive will and hereby does assign to the Company all rights to trade secrets and other products relating to the Company's business developed by Executive alone or in conjunction with others at any time while employed by the Company. In the event of any conflict between the provision of this Section and of any applicable employee manual or similar policy of the Company, the provisions of this Section will govern.

(r) *Non-Competition*. During the Employment Period, and for a six (6) month period after the date Executive's employment is terminated by the Company or by Executive for any reason other than a termination of Executive's employment by Executive without Good Reason, Executive will not directly or indirectly (without the prior written consent of the Company):

(i) hold a five percent (5%) or greater equity (including stock options whether or not exercisable), voting or profit participation interest in a Competitive Enterprise, or

(ii) associate (including as a director, officer, employee, partner, consultant, agent or advisor) with a Competitive Enterprise <u>and</u> in connection with Executive's association engage, or directly or indirectly manage or supervise personnel engaged, in any activity:

(A) that is substantially related to any activity in which Executive was engaged with the Company during the twelve (12) months prior to the Termination Date,

(B) that is substantially related to any activity for which Executive had direct or indirect managerial or supervisory responsibility with the Company during the twelve (12) months prior to the Termination Date, or

(C) that calls for the application of specialized knowledge or skills substantially related to those used by Executive in Executive's activities with the Company during the twelve (12) months prior to the Termination Date.

For purposes of this Agreement, "*Competitive Enterprise*" means any business enterprise that either (A) engages in any activity that competes anywhere with any activity in which the Company is then engaged or (B) holds a five percent (5%) or greater equity, voting or profit participation interest in any enterprise that engages in such a competitive activity.

(a) *Non-Solicitation*. During the Employment Period, and for a one (1) year period after Executive's employment is terminated by the Company or Executive for any reason, Executive will not, in any manner, directly or indirectly (without the prior written consent of the Company):

(i) Solicit any Client to transact business with a Competitive Enterprise with respect to a competitive activity or Solicit any Client to reduce or refrain from doing any business with the Company,

(ii) transact business with any Client with respect to a competitive activity that would cause Executive to be engaged in a Competitive Enterprise,

(iii) interfere with or damage any relationship between the Company and a Client, or

(iv) Solicit anyone who is then an employee of the Company (or who was an employee of the Company within the prior twelve (12) months) to resign from the Company or to apply for or accept employment with any other business or enterprise.

For purposes of this Agreement, a "*Client*" means any client or prospective client of the Company to whom Executive provided services, or for whom Executive transacted business, or whose identity became known to Executive in connection with Executive's relationship with or employment by the Company, and "*Solicit*" means any direct or indirect communication of any kind, regardless of who initiates it, that in any way invites, advises, encourages or requests any person to take or refrain from taking any action.

(a) *Non-Disparagement*. During the term of this Agreement and thereafter Executive will not, in any manner, directly or indirectly make or publish any statement (orally or in writing) that would libel, slander, disparage, denigrate, ridicule or criticize the Company, any of its affiliates or any of their employees, officers or directors. During the term of this Agreement and thereafter the Company will not, in any manner, directly or indirectly make or publish any statement (orally or in writing) that would libel, slander, disparage, denigrate, ridicule or criticize Executive; provided, however, (i) that that the Company shall not be accountable for any actions of its employees, provided that the Company instructs its executive officers to comply with the foregoing, and (ii) notwithstanding the foregoing, during Executive's employment, nothing shall prevent the Company from reasonably critiquing, publicly or otherwise, the business operations of the Company or Executive's performance related thereto.

(b) *Validity*. The terms and provisions of this Section 9 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement will thereby be affected. The parties acknowledge that the potential restrictions on Executive's future employment imposed by this Section 9 are reasonable in both duration and geographic scope and in all other respects. If for any reason any court of competent jurisdiction will find any provisions of this Section 9 unreasonable in duration or geographic scope or otherwise, Executive and the Company agree that the restrictions and prohibitions contained herein will be effective to the fullest extent allowed under applicable law in such jurisdiction.

(c) *Injunctive Relief*. In the event of a breach or threatened breach of this Section 9, Executive agrees that the Company will be entitled to injunctive relief in a court of appropriate jurisdiction to remedy any such breach or threatened breach, Executive acknowledging that damages would be inadequate and insufficient.

(d) *Cease Payments*. In the event that Executive materially breaches Section 9(a), 9(b), 9(c), 9(d) or 9(e), the Company's obligation to make or provide payments or benefits under Section 7 will cease.

(e) *Continuing Operation*. Except as specifically provided in this Section 9, the termination of Executive's employment or of this Agreement will have no effect on the continuing operation of this Section 9.

10. Indemnification. The Company will indemnify Executive and hold Executive harmless to the fullest extent permitted by law for any action or inaction by Executive while serving as an officer and director of the Company or, at the Company's request, as an officer or director of any other entity or as a fiduciary of any benefit plan, including advancement of applicable, reasonable legal expenses. The Company will obtain customary directors' and officers' liability insurance.

11. Successors; Binding Agreement. This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement will inure to the benefit of, and be enforceable by, Executive's legal representatives. This Agreement

shall inure to the benefit of, and be binding upon, the Company and its successors and assigns.

12. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement will be in writing and will be deemed to have been duly given when delivered either personally or by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive:

The address then on file with the Company

If to the Company:

Ziff Davis, Inc.
114 5th Avenue, 15th Floor
New York, NY 10011
(212) 503-3500

Attention: Legal Department
Email: legal@ziffdavis.com

13. Resolution of Differences Over Breaches of Agreement. The parties will use good faith efforts to resolve any controversy or claim arising out of, or relating to this Agreement or the breach thereof, first in accordance with the Company's internal review procedures, except that this requirement will not apply to any claim or dispute under or relating to Section 9 of this Agreement. If, despite their good faith efforts, the parties are unable to resolve such controversy or claim through the Company's internal review procedures, then such controversy or claim will be resolved by arbitration in New York, in accordance with the rules then applicable of the American Arbitration Association. The Company will pay the administrative fees and the arbitrator's fees and expenses. The prevailing party shall be awarded such party's expenses (including any administrative fees and arbitrator's fees and expenses incurred by the Company in connection with the preceding sentence) and reasonable attorneys' fees in an aggregate amount not to exceed $200,000. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

14. Amendments. No provisions of this Agreement may be amended, modified, or waived unless such amendment or modification is agreed to in writing signed by Executive and by a duly authorized officer of the Company, and such waiver is set forth in writing and signed by the party to be charged. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

15. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of Delaware without regard to its conflicts of law principles.

16. Waiver of Jury Trial. To the extent permitted by law, Executive and the Company waive any and all rights to a jury trial with respect to any controversy or claim between Executive and the Company arising out of or relating to or concerning this Agreement.

17. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, term sheets, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto in respect of such subject matter.

18. Section 409A Compliance. To the extent applicable, this Agreement is intended to comply with or to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") (together with the applicable regulations thereunder, "Section 409A"). To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A or to the extent any provision in this Agreement must be modified to comply with Section 409A (including, without limitation, Treasury Regulation 1.409A-3(c)), such provision will be read, or will be modified (with the mutual consent of the parties, which consent will not be unreasonably withheld), as the case may be, in such a manner so that all payments due under this Agreement will comply with Section 409A. For purposes of Section 409A, each payment made under this Agreement will be treated as a separate payment. Because Executive is a "specified employee" (as that term is used in Section 409A), on the date his separation from service becomes effective, any benefits payable under Section 7 that constitute non-qualified deferred compensation under Section 409A shall be delayed until the earlier of (a) the business day following the six-month anniversary of the date his separation from service becomes effective, and (b) the date of Executive's death, but only to the extent necessary to avoid such penalties under Section 409A. On the earlier of (a) the business day following the six-month anniversary of the date his separation from service becomes effective, and (b) the date of Executive's death, the Company shall pay Executive in a lump sum the aggregate value of the non-qualified deferred compensation that the Company otherwise would have paid the Executive prior to that date under Section 7. Any termination of Executive's employment triggering payment of benefits under Section 7(v) must constitute a "separation from service" under Section 409A and Treas. Reg. §1.409A-1(h) before distribution of such benefits can commence. To the extent that the termination of Executive's employment does not constitute a separation of service, any benefits payable under Section 7(b) that constitute deferred compensation under Section 409A shall be delayed until after the date of a subsequent event constituting a separation of service. In no event may Executive, directly or indirectly, designate the calendar year of payment. All reimbursements provided under this Agreement will be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit. Executive further acknowledges that any tax liability incurred by Executive under Section 409A of the Code is solely the responsibility of Executive. Reference to Section 409A of the Code is to Section 409A of the Internal Revenue Code of 1986, as amended, and will also include any regulations, or any other formal guidance, promulgated with respect to such section by the U.S. Department of the Treasury or the Internal Revenue Service. Finally, if the period after the Termination Date during which the Release must become effective spans two calendar years, any payments or benefits conditioned on the Release will not be made or commence to be made until the second calendar year.

19. Representations. Executive represents and warrants to the Company that Executive is under no contractual or other binding legal restriction which would prohibit Executive from entering into and performing under this Agreement or that would limit the performance Executive's duties under this Agreement.

20. Withholding Taxes. The Company may withhold from any amounts or benefits payable under this Agreement income taxes and payroll taxes that are required to be withheld pursuant to any applicable law or regulation.

21. No Waiver. The failure of a party hereto to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

22. Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, will bear the signatures of all of the parties reflected hereon as the signatories. Photographic, faxed, emailed or PDF copies of such signed counterparts may be used in lieu of the originals for any purpose.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

ZIFF DAVIS, INC.	**EXECUTIVE**
By: */s/ Michelle Dvorkin*	*/s/ Layth Taki*
Michelle Dvorkin **Chief Human Resources Officer**	**Layth Taki**

Exhibit 10.2

SEPARATION AND RELEASE OF CLAIMS AGREEMENT

This Separation and Release of Claims Agreement (this "Agreement") is entered by and between Steve Dunn ("Employee"), a resident of California ("State"), and Ziff Davis, Inc., on behalf of itself and its past and present parents, subsidiaries and affiliates, and its respective past and present predecessors, successors, assigns, franchisees, representatives, officers, directors, agents, attorneys, insurers and employees (collectively, referred to as "Employer").

In consideration of the mutual promises, covenants and agreements set forth below, the adequacy and sufficiency of which are specifically acknowledged, Employee and Employer (collectively, the "Parties") hereby agree as follows:

1. General.
    a. Payments and Separation Date Regardless of Agreement. Employee is an at-will employee of Employer and, except to the extent otherwise provided for herein, and subject to Employee's ongoing compliance with Employer's policies, Employee's employment with Employer will end effective October 14, 2022 ("Separation Date"). If Employee does not accept this Agreement, or if Employee revokes acceptance pursuant to this Agreement, Employer will (a) pay Employee salary accrued through Employee's Separation Date, (b) pay Employee any accrued but unused vacation days due to Employee through Employee's Separation Date and (c) reimburse Employee for any outstanding, reasonable business expenses that Employee has incurred on the Employer's behalf through Employee's Separation Date, after the Employer's timely receipt of appropriate documentation pursuant to the Employer's business expense reimbursement policy.
    b. No Admission. Employer, as a part of this Agreement between the parties, does not admit, and specifically denies, any violation of law or any liability to Employee or to anyone else of all issues and losses as a result of or growing out of Employee's relationship and/or employment and/or the separation of employment with Employer.
    c. Severance. Provided that (a) Employee signs and returns this Agreement to Michelle Dvorkin, michelle.dvorkin@ziffdavis.com ("Employer Contact") within twenty one days of receiving it ("Consideration Period"), (b) Employee does not revoke Employee's acceptance of this agreement within seven days of signing it ("Revocation Period") pursuant to the terms of this Agreement, and (c) Employee is cooperative in performing and transitioning Employee's work, then (i) Employee's employment will be extended through November 22, 2022 (the "Separation Date" shall instead be defined as this date, and the period between the original Separation Date and modified Separation Date shall be the "Severance Time Period"), (ii) during the Severance Time Period Employee will receive regular wages through Separation Date, and (iii) the Employer will additionally pay Employee $5,000, less applicable deductions ((ii) and (iii) collectively being, the "Severance"). Severance is not subject to acceleration or deferral. The payment component in (ii) will be paid on the Employer's regularly scheduled payroll dates, and the payment component in (iii) will be paid on the Employer's first regularly scheduled payroll date commencing after the Revocation Period. Employee will continue to receive the current benefits for which they are enrolled under Employer's benefit plan, until November 30, 2022 ("Medical Coverage End Date"). Thereafter, Employee's coverage under the group medical insurance plan will be pursuant to the Consolidated Omnibus Budget Reconciliation Act,

as amended ("COBRA"). Within the time period required by COBRA, Employer, or the plan administrator, as required by law, will provide Employee with written notice of their right under COBRA to continue participation in the group health plan. Except as provided otherwise in this agreement, Employee understands that such COBRA coverage will be at their sole expense after Medical Coverage End Date.

d. Bring-Down General Release; Additional Severance. Provided that (a) Employee signs and returns this Agreement to Employer Contact within the Consideration Period; (b) Employee does not revoke Employee's acceptance pursuant to this Agreement; (c) Employee is cooperative in continuing and transitioning Employee's work; and further that (d) Employee signs and returns to Employer Contact a bring down release, in the form attached hereto as Schedule A and incorporated herein by reference ("Bring Down General Release") within 7 days of the Separation Date (being after the Severance Time Period), the Employer will provide Employee the following consideration, to which Employee otherwise is not entitled: (i) payment equivalent to one year's salary minus $21,070.12, less applicable deductions, to be paid on the Employer's first regularly scheduled payroll date commencing seven days after the Bring Down Release is timely executed by the Employee; (ii) payment by Employer of the Employer portion of Employee's COBRA premiums for 12 months from the Separation Date; and (iii) payment, less applicable deductions, of a pro-rated portion of Employee's 2022 bonus, (1) which will be payable on or about such time as Employer generally pays 2022 bonuses to its employees, which customarily occurs in the month of March, and (2) the amount of which will be determined pursuant to the 2022 Bonus Plan as if Employee remained an active employee in good standing, and which shall be pro-rated for the portion of 2022 for which Employee was employed by Employer (i.e., January 1, 2022 through the Separation Date, subject to the other terms of this Agreement).

2. Employee, on behalf of themselves, their descendants, dependents, heirs, executors, administrators, assigns, and successors, fully, finally and forever releases and discharges Employer, its past and present parents, subsidiaries and affiliates, and its respective past and present predecessors, successors, assigns, franchisees, representatives, officers, directors, agents, attorneys, insurers and employees (including, but not limited to Ziff Davis, Inc. and its respective past and present parents, subsidiaries and affiliates, and their respective past and present predecessors, successors, assigns, franchisees, representatives, officers, directors, agents, attorneys, insurers and employees) (collectively "Releasees"), from any and all claims and rights of any kind that Employee may have, whether now known or unknown, suspected or unsuspected, including, but not limited to, arising out of or in any way connected with Employee's employment with Employer as of the date this Agreement is executed. These claims and rights released include, but are not limited to, any and all claims for salary, wages, compensation, monetary relief, employment, benefits, including but not limited to any claims for benefits under, or contribution to, any employee benefit, profit-sharing or retirement plan bonuses, merit and longevity increases, commissions, relocation expenses, and all other benefits of all kind, earnings, back pay, front pay, compensatory damages, punitive damages, damage to character, damage to reputation, liquidated and other damages, emotional distress, mental anguish, depression, injury, impairment in locating employment, financial loss, pain and suffering, injunctive and declaratory relief, interest, attorneys' fees and costs, specifically including any and all claims growing out of, resulting from, or

connected in any way to Employee's employment with Employer and/or the separation thereof, including any and all claims for discrimination, including but not limited to discrimination on the basis of race, national origin, citizenship, color, religion, marital status, handicap or disability, age, sex, harassment of any kind, including sexual harassment, retaliation, whistle blowing, breach of contract, rescission, promises, claims under the Employee Retirement Income Security Act of 1974 [29 U.S.C. Sections 1001-1461], as amended; torts of all kinds, including but not limited to misrepresentation, negligent or otherwise, fraud, defamation, slander, libel, duress, fraudulent inducement, worker's compensation retaliation, interference with an advantageous business relationship, negligent employment, including negligent hiring, negligent retention and negligent supervision, claims or rights under state and federal whistleblower legislation including the Consolidated Omnibus Budget Reconciliation Act of 1985 [Pub. L. 99-509], as amended ("COBRA"); the Sarbanes-Oxley Act of 2002 [Public Law 107-204, 116 Stat. 745] ("S-OA"); the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"); the Family and Medical Leave Act [29 U.S.C. Sections 2601-2654], as amended ("FMLA"); the Age Discrimination in Employment Act [29 U.S.C. § 621 et seq.] ("ADEA"), as amended; the Congressional Accountability Act of 1995 [2 U.S.C. Sections 1311-1317], as amended; the Americans with Disabilities Act [42 U.S.C. Sections 12101-12213], as amended ("ADA"); the Americans with Disabilities Act Amendment Act ("ADAAA"); the Rehabilitation Act of 1973 [29 U.S.C. Section 791, et. seq.], as amended; the Employee Polygraph Protection Act of 1988 [29 U.S.C. Sections 2001 et. seq.], as amended ("PPA"); the Internal Revenue Code [Title 26, U.S.C.], as amended ("IRC"); the Equal Pay Act [29 U.S.C. Section 206(d)], as amended ("EPA"); Title VII of the Civil Rights Act of 1964 [42 U.S.C. Sections 2000e-2000e-17], as amended ("CRA"); the Revised Statutes [42 U.S.C. Sections 1981, 1983 or 1985], as amended; the Fair Housing Act [42 U.S.C. Section 3604 et. seq.], as amended; Title IX of the Education Amendments of 1972 [20 U.S.C. Sections 1681 et. seq.], as amended; the Federal False Claims Act [18 U.S.C. Sections 287, et seq.], as amended ("FFCA"); the Program Fraud Civil Remedies Act [38 C.F.R. 42.1, et seq.], as amended ("PFCRA"); the Fair Credit Reporting Act, as amended ("FCRA"); the Uniformed Services Employment and Reemployment Rights Act of 1994 [38 U.S.C. Sections 4301-4333], as amended ("USERRA"); the National Labor Relations Act [29 U.S.C. Sections 151-169], as amended ("NLRA"); the Worker Adjustment and Retraining Notification Act [29 U.S.C. Sections 2101 et seq.], as amended ("WARN"); the Occupational Safety and Health Act [29 U.S.C. Sections 651-678], as amended ("OSHA"); the Fair Labor Standards Act [29 U.S.C. Sections 201-219], as amended ("FLSA"); the Pregnancy Discrimination Act ("PDA"); California Fair Employment and Housing Act [Cal. Govt. Code Section 12900 et seq.], as amended; Unruh Civil Rights Act [Cal. Civil Code Section 51], as amended; Moore-Brown-Roberti Family Rights Act [Cal. Govt. Code Section 12945.1 et seq.], as amended; California Pregnancy Disability Leave Law [Cal. Govt. Code Section 12945], as amended; the California Constitution; any applicable California Industrial Welfare Commission Wage Order; California Access to Personnel Files Law [Cal. Lab. Code Section 1198.5], as amended; California Arrest History Law [Cal. Lab. Code Sections 432.7 to 432.8]; California Equal Pay Law [Cal. Lab. Code Section 1197.5 et seq.]; California Ban the Box Law [Cal. Lab. Code Section 432.9]; California Sex Offender Discrimination Law [Cal. Penal Code Section 290.46]; California Job Reference Disclosures Law [Cal. Lab. Code Section 1050 et seq.]; California Crime Victim Leave Law [Cal. Lab. Code Section 230.1 and 230.5]; California Nursing Mothers Break Time Law [Cal. Gov't Code Section 12970, Cal. Code Regs. tit. 2, Section 7286.9]; California Military Leave Law [Cal. Mil. & Vet. Code Sections 394.5 to 395.9]; California Organ and Bone Marrow Donation Leave Law [Cal. Lab. Code Sections 1508 to 1513]; California Overtime Law [Cal Lab Code Section 515 et seq., Cal. Labor Code Section 2699 et seq.]; California Plant Closing Law [Cal. Lab. Code Section 1400 et seq.]; California Security Breach Notification Requirements [Cal. Civ. Code Section 1798.29], as amended; California Social Security Number Privacy Law [Cal. Lab. Code Section 226]; California Wage Payment Law [Cal. Lab. Code Section 200 et seq.]; California Employee Personal Information Protection Act [Cal. Lab. Code Section 1024.6]; California Occupational Safety and Health Act [Cal. Lab. Code Section 226.7]; California Family Rights Act [Cal. Govt. Code Section 12945.1 et seq.]; California Wage Theft Prevention Act of 2011 [Cal. Labor Code Section 2810.5 et seq.]; California Healthy Workplace Healthy Family Act of 2014 [Cal. AB 1522, Cal. Labor Code Sections 226 and 246]; California anti-retaliation law [Cal. Labor Code Section 1102.5]; and any other claim of any kind. In addition, Employee specifically waives any rights of action and administrative and judicial relief which they might otherwise have available in the state and federal courts, including all common law claims and claims under federal and state constitutions, statutes and regulations and federal executive orders and county and municipal ordinances and regulations. Employee promises never to file, participate in, or prosecute a lawsuit or arbitration action asserting any claims that are released by this Agreement. Employee expressly acknowledges that they do not as of the date of execution of this Agreement have any known or suspected claim(s) against any of the Released Parties the factual foundation for which involve(s) unlawful discrimination or harassment, including sexual harassment. Employee promises never to file, participate in, or prosecute a lawsuit asserting any claims under the federal False Claims Act and/or any state false claims act relating in any manner to information learned while employed with Employer. Employee further agrees not to voluntarily participate in any employment-related lawsuit or arbitration action brought by any other employee or former employee against Employer. It is the intent of this Agreement that Employee is not releasing or waiving any rights that Employee is prohibited by law, rule or regulation from releasing or waiving. Employee further agrees not to voluntarily participate in any employment-related lawsuit brought by any other employee or former employee against Employer.

CALIFORNIA CIVIL CODE SECTION 1542: Employee understands and agrees that the General Release includes not only claims presently known to Employee, but also includes all unknown or unanticipated claims, rights, demands, actions, obligations, liabilities, and causes of action of every kind and character that would otherwise come within the scope of the General Release as described in section 2. Employee understands that Employee may hereafter discover facts different from what Employee now believe to be true, and if known, could have materially affected this Agreement, but Employee nevertheless waive any claims or right based on different or additional facts. Employee also specifically acknowledges that Employee is aware of and familiar with the provisions of California Civil Code Section 1542, which provides as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Being aware of this Section, Employee expressly waives and relinquishes all rights and benefits Employee may have pursuant to this statute, as well as any other statutes or common law principles of similar effect.

Nothing in this Release shall be construed to prohibit Employee from (1) challenging, under the Age Discrimination in Employment Act ("ADEA"), the knowing and voluntary nature of Employee's release of any claims in this Agreement in court or before the Equal Employment Opportunity Commission ("EEOC"); (2) filing a charge or complaint with the EEOC, NLRB, Department of Fair Employment and Housing, or other fair employment practices agency; or (3) participating in any investigation or proceeding conducted by the EEOC. Notwithstanding, if Employee files a charge with the EEOC, NLRB, or other fair employment practices agency, or if one is filed on Employee's behalf, Employee forever waives and relinquishes their right to recover damages resulting from any such charge Employee may file or that may be filed by any person or agency on Employee's behalf. Nothing in this Agreement shall be construed to prohibit or restrict Employee from: (i) reporting or disclosing any suspected instance of illegal activity of any nature; (ii) reporting or disclosing any workplace safety or public safety concerns to any federal, state, or local governmental agency or court; (iii) providing information to, or testifying or assisting in any investigation or proceeding brought by any federal or state regulatory or law enforcement agency or legislative body, any self-regulatory organization, or Employer's legal or compliance departments; or (iv) reporting, testifying, participating in or otherwise assisting in a proceeding relating to an alleged violation of the Sarbanes-Oxley Act or any federal, state or municipal law relating to fraud, health and safety, and/or any rule or regulation of the Securities and Exchange Commission, or any self-regulatory organization. Other than receiving an award related to reporting potential securities law violations to the SEC and/or other federal agencies, Employee hereby waives and releases any right to receive any relief because of their participation in any investigation or proceeding of any federal, state, or local government agency or court. Employee represents that Employee knows of no claim that Employee has not released by this Agreement.

As part of this Agreement and a result of the payments made to Employee by Employer, upon receipt of the proceeds referenced herein, Employee acknowledges and agrees that Employee has been paid all wages (including overtime compensation), commissions, bonuses, and other compensation due to Employee from Employer for any reason; that Employee has received all leave and benefits to which they were entitled; that they have no known work-related injuries or occupational diseases while employed by Employer that were not reported during their employment; and that they have been provided and/or has not been denied any leave requested under the FMLA and has not been subjected to retaliation for taking any such leave. Employee agrees and acknowledges that Employee has properly classified pursuant to the Fair Labor Standards Act and, even if that was not the case, the compensation reflected herein fully compensates Employee for any unpaid wages, compensation, and/or overtime Employee would have been entitled to for the full limitations period if any exemption(s) did not apply to them. Employee further acknowledges that they are not entitled to any additional compensation or benefits from Employer, except as otherwise provided herein.

Employee covenants and agrees that neither Employee nor their present or future representatives, attorneys or agents shall issue any publicity release or otherwise publicize, communicate, or reveal or give out in any manner other than to a court as required by law, and/or Employer, the terms of this Agreement, except as necessary in the course of preparing benefit or tax documents and in legal proceedings based on the terms and provisions hereof.

It is further understood and agreed that the monies and other good and valuable consideration provided for herein are not a mere recital but are the consideration for this Agreement and a full and final release is effected hereby. Employee acknowledges that Employee has completely read this Agreement. Employee further acknowledges that this Agreement is being signed voluntarily and without coercion or duress and with full understanding of its terms and effects. Neither party has been promised any benefit except for the mutual consideration set out herein and there are no other understandings or oral/written agreements relating to the separation of their employment relationship except those set out above. Employee specifically states that Employee is executing this Agreement knowingly and voluntarily.

3. The parties expressly acknowledge that this Agreement is intended to satisfy the requirements of the Older Workers Benefit Protection Act, 29 U.S.C. Section 626(f). If Employee does not return this signed Agreement to Employer within the Consideration Period, Employer will consider Employee's non-action a refusal to agree to the terms of this Agreement and, therefore, this offer will be withdrawn and Employee will not be entitled to the Severance Benefit. Employee acknowledges and agrees that Employee has the Revocation Period after signing the Agreement to revoke it. If not revoked, this Agreement shall become final and binding upon expiration of the Revocation Period and the "Effective Date" of this Agreement shall be the first day following said period.

4. By execution of this Agreement, Employee expressly waives any and all right to claims under the ADEA, and:
    a. Employee acknowledges that Employee's waiver of rights or claims arising under the ADEA is in writing, written in a manner calculated to be understood, and is understood by Employee;
    b. Employee understands by execution of this Agreement, Employee does not waive any rights or claims that may arise after the date Employee executed this waiver;
    c. Employee acknowledges that the waiver of Employee's rights on claims under the ADEA is in exchange for the consideration outlined above, which is in excess of any severance or other benefits which Employee was entitled to receive under the policies of Employer in connection with the termination of Employee's employment with Employer;
    d. Employee acknowledges and agrees that Employee has been advised and given a reasonable and adequate period of time to consult with an attorney and any economic advisors of Employee's choice (at Employee's own expense) prior to signing this Agreement and, to the extent desired, Employee has done so;
    e. Employee understands that Employee has the Consideration Period to consider this Agreement before signing it;
    f. Employee acknowledges that Employee has voluntarily entered into this Agreement of Employee's own free will based only upon the terms and conditions set out herein; and
    g. After signing this Agreement, Employee may revoke their acceptance within the Revocation Period by providing written notice of revocation by email by 5:00 PM within the Revocation Period to the Employer Contact.

5. Employee further covenants and agrees to the following:
    a. Employee has and will continue to maintain in strict confidence the terms of this Agreement, and that Employee shall not disclose such terms or conditions to any person, though Employee may provide this Agreement to Employee's attorney. Employee further agrees that neither Employee nor their present or future representatives, attorneys, or agents shall issue any publicity release or otherwise publicize, communicate, reveal, or give out in any manner the terms of this Agreement, except as necessary in the course of preparing benefit or tax documents, except in legal proceedings based on the terms and provisions hereof, and except to Employee's legal counsel and any financial advisor or accountant, provided such individuals are instructed and obligated thereby to maintain such terms in strict confidence to the same degree as Employee and provided any disclosure by such individuals shall be attributable to and the responsibility of Employee hereunder.
    b. Employee recognizes that prior to their Separation Date, due to their affiliation with Employer (or Releasees), Employee acquired intimate knowledge of, and experience related to the business of Employer, Employer's Trade Secrets and confidential information (including, but not limited to, information or data in any form or medium which has commercial or economic value to Employer such as information regarding other Employees, intellectual property, processes, competitive data, contracts, licenses, customer lists, financial information, pricing structures or guidelines, methods of operation, manuals, software and marketing plans and strategies), and the Employer's customers and business partners (hereafter "Confidential Information"), which, if used or disclosed by Employee, would seriously, adversely, and irreparably affect the Employer. Employee also recognizes that Employer has taken reasonable efforts to maintain the secrecy of its trade secrets and Confidential Information and that it derives economic value from its Trade Secrets and Confidential Information not readily being accessible by other persons. Employee therefore agrees that, prior or subsequent to their Separation Date, Employee shall not disclose, discuss, disseminate, publicize, or in any way allow to become public any information or knowledge received by Employee in the course of Employee's employment with Employer. Employee agrees to keep confidential and not disclose to any person for any purpose (including, but not limited to, for the purpose of teaching a class, writing a book, speech, manuscript, script, article, etc.) without prior written consent of Employer, all Employer (including its employees, directors, officers and owners) knowledge and/or information Employee obtained or became aware of in the course of, or as account of, Employee's employment with Employer, including but not limited to, trade secrets, proprietary information and other confidential matters; provided, however, that this provision will not apply to information that has been disclosed to the public through no fault of Employee and does not prohibit Employee from disclosing information if required to do so by law.
    c. Upon execution of this Agreement, Employee further agrees to deliver to Employer any and all Employer proprietary information or property such as, but not limited to, computer devices and accessories, budgets, analyses, reports, credentials and documents (in all formats).
    d. Employee acknowledges and agrees that their position with Employer has required the performance of services that are special, unique, extraordinary

and of an intellectual character, and that Employer has provided Employee with specialized training to perform those services. Employee further acknowledges and agrees that their position with Employer has placed them in a position of confidence and trust with Employer's clients, customers, and employees, which has enabled Employee to develop substantial relationships with them. Therefore, Employee agrees that for a period of twelve (12) months following the Separation Date, Employee shall not, directly or indirectly, as an employee, employer, consultant, agent, principal, partner, manager, stockholder, officer, director, or in any other individual or representative capacity, do any of the following in the European Economic Area, India, North America, the Philippines, the United Kingdom, or any other geographic area in which Employee rendered services on behalf of Employer or in which the benefit of Employee's services for Employer was received: solicit, cause or attempt to cause any employee, contractor or customer of Employer to terminate their employment or contractual relationship with Employer; interfere or attempt to interfere with the relationship between Employer and any employee, contractor or customer of Employer; or hire, engage or attempt to hire or engage any employee or contractor of Employer, or any person who was an employee or contractor of Employer within the prior six (6) months. Employee agrees that to the extent the terms of this paragraph conflict with any prior agreement between Employer and Employee, the terms of this paragraph shall control. Employee further acknowledges and agrees that the foregoing restrictions are customary and accepted market terms, and are fair and reasonable given the nature and geographic scope of Employer's business operations and the nature of Employee's position with Employer. Employee acknowledges and is prepared for the possibility that Employee's standard of living may be reduced during the time period of these restrictions, and Employee assumes and accepts any risk associated with that possibility.

e. Nothing in this agreement prevents Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful.

f. Employee further acknowledges that: (i) the confidentiality provisions of this agreement are documented herein and are mutually beneficial to both parties; (ii) Employee has the right to have an attorney review the agreement, including the confidentiality clause; (iii) good and valuable consideration has been given for this confidentiality provision; (iv) this agreement does not waive claims of harassment or discrimination that occur after the date of the agreement; (v) this agreement has been provided in writing, (vi) Employee has had the Consideration Period to consider the agreement before execution; and (vii) the Employee has the Revocation Period following execution to revoke the agreement.

6. In consideration of the monies and other good and valuable consideration provided for in this Agreement, Employee represents and warrants that all the terms of this Agreement shall be complied with. The parties hereto acknowledge that any breach of this Agreement shall entitle the non-breaching party not only to damages, but to injunctive relief to enjoin the actions of the breaching party, as well as attorneys' fees and costs. The penalty provisions of this paragraph do not apply to claims brought in violation of this Agreement arising under the ADEA.

7. All amounts payable under this Agreement are intended to comply with the "short term deferral" exception from Section 409A of the Internal Revenue Code ("Section 409A") specified in Treas. Reg. Section 1.409A-1(b)(4) or the "separation pay plan" exception specified in Treas. Reg. § 1.409A-1(b)(9), or both of them, and shall be interpreted in a manner consistent with the applicable exceptions. Notwithstanding the foregoing, to the extent that any amounts payable in accordance with this Agreement are subject to Section 409A, this Agreement shall be interpreted and administered in such a way as to comply with Section 409A to the maximum extent possible. Each installment payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of applying Section 409A. If any payment subject to Section 409A is contingent on the delivery of a release by Employee and could occur in either of two years, the payment will occur in the later year. Nothing in this Agreement shall be construed as a guarantee of any particular tax treatment to Employee. Employee solely shall be responsible for the tax consequences with respect to all amounts payable under this Agreement, and in no event shall Employer (or Releasees) have any responsibility or liability if this Agreement does not meet any applicable requirements of Section 409A.

8. Employee affirms, covenants, and warrants that Employee is not a Medicare beneficiary and is not currently receiving, has not received in the past, will not have received at the time of payment pursuant to this Agreement, is not entitled to, is not eligible for, and has not applied for or sought Social Security Disability or Medicare benefits. Employee agrees and affirms that, to the best of Employee's knowledge, no liens of any governmental entities, including those for Medicare conditional payments, exist. Employee will indemnify, defend, and hold the released parties harmless from Medicare claims, liens, damages, conditional payments, and rights to payment, if any, including attorney's fees, and Employee further agrees to waive any and all future private causes of action for damages pursuant to 42 U.S.C. § 1395y(b)(3)(A) et seq.

9. EMPLOYEE HEREBY EXPRESSLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION, PROCEEDING OR OTHER LITIGATION RESULTING FROM OR INVOLVING THE ENFORCEMENT OF THIS AGREEMENT.

10. Employee agrees Employee will cooperate fully with Employer, upon request, in relation to the defense, prosecution or other involvement in any pending or continuing claim, as well as any and all future claims, lawsuits, charges, and internal or external investigations which arise out of events or business matters over which Employee had responsibility.

11. For purposes of this Agreement, Employee and Employer hereby waive any pleas of jurisdiction or venue as not being a resident of State and hereby specifically authorize any action brought upon the enforcement of this Agreement to be commenced or filed in the county of State that Employee resides in as of the Effective Date. The parties further agree that this Agreement shall be governed by the laws of State.

12. This Agreement may be treated as, and will constitute, a full and complete defense against any action, suit, or proceeding that may be prosecuted, instituted, or attempted by Employee.

13. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. The execution of this Agreement is complete at the time of the last necessary signature affixed thereto.

14. With the exception of any non-compete and/or non-solicitation agreement, this Agreement contains the entire agreement of the Parties and supersedes any and all prior, written or oral, agreements among them concerning the subject matter hereof. There are no representations, agreements, arrangements or understandings, oral or written, between Employer and Employee relating to the subject matter of this Agreement that are not fully expressed herein.

By Employee:

Date:	Signature:	*/s/ Steve Dunn*
	Name:	Steve Dunn

By Employer:

Date:	Signature:	*/s/ Michelle Dvorkin*
	Name:	Michele Dvorkin
	Title:	Chief Human Resources Officer

SCHEDULE A

BRING-DOWN GENERAL RELEASE

This Bring-Down General Release is entered into by and between Steve Dunn (hereafter referred to as "Employee") and Ziff Davis, Inc., its past and present parents, subsidiaries and affiliates, and its respective past and present predecessors, successors, assigns, franchisees, representatives, officers, directors, agents, attorneys, insurers and employees (hereafter referred to as "the Company" or "Employer"), effective upon the date it is signed by both Employee and the Employer, provided it is signed by Employee within seven days of the Separation Date, and subject to the conditions of the parties' Severance Agreement and this Bring-Down General Release (capitalized terms not defined in this Bring-Down General Release shall have the meaning provided them in the Severance Agreement). Employee has agreed to definitively resolve and settle any and all claims against the Employer which can lawfully be waived, according to the following terms, and freely and voluntarily enters into this General Release for that purpose.

1. General Release and Waiver of Claims.
    a. General Release. Employee, on behalf of Employee, Employee's family members and Employee's and their heirs and successors, assigns, affiliates, attorneys and agents, fully releases and forever discharges the Company and any other affiliated entities, as well as anyone connected with them, including but not limited to their past and present officers, directors, management staff, employees, attorneys and agents, and the predecessors, successors and assigns of each of the foregoing (collectively "the Company Releasees") from any and all claims, demands, costs, contracts, lawsuits and liabilities of every kind, whether in law or in equity, known or unknown, suspected or unsuspected, which Employee ever had or now has against one or more of the Company Releasees of any type, nature and description. The foregoing release includes claims arising out of the execution of this Bring-Down General Release or the negotiation of this Bring-Down General Release, or any purported representations or omissions leading to this Bring-Down General Release. However, nothing in this release extends to claims Employee may have for:
        (1) breach of the Company's obligations under this Bring-Down General Release or under the Severance Agreement;
        (2) unemployment, state disability and/or paid family leave insurance benefits pursuant to the terms of applicable state law;
        (3) continuation of existing participation in Company-sponsored group health benefit plans, at Employee's full expense (except as provided in this Bring-Down General Release or the Severance Agreement) under COBRA and/or under an applicable state counterpart law;
        (4) restricted stock with respect to which all restrictions have lapsed pursuant to the written terms and conditions of Employee's existing restricted stock agreements, and stock purchased by Employee under the Company's ESPP plan, existing as of the Separation Date;
        (5) violation of any federal, state or local statutory and/or public policy right or entitlement that, by applicable law, is not waivable; and
        (6) any wrongful act or omission occurring after the date Employee signs this Bring-Down General Release.
    b. Employee's Release Includes Employment-Related and Non-Employment Related Claims. Employee's general release and waiver set forth in paragraph 1(a) is intended to cover any and all claims which Employee may have against the Employer Releasees prior to the execution of this Bring-Down General Release, including but not limited to any employment-related claims such as claims for

damages arising from unlawful discrimination, harassment and retaliation under federal, state and local laws, including Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, the Civil Rights Act of 1991, the Equal Pay Act, the Fair Labor Standards Act, 42 U.S.C. §1981, applicable provisions of the Labor Code in State (including, but not limited to, wage and hour laws set forth therein), and any amendments to those statutes; as well as any claims in tort or contract related to Employee's employment relationship with the Employer or the termination of that relationship, including wrongful discharge, emotional distress, defamation, misrepresentation, fraud, breach of contract, and violation of public policy; and for any acts or omissions of the Employer Releasees. This release covers all potential employment-related claims and any other potential claims held by Employee against the Employer Releasees prior to the execution of this Bring-Down General Release which can lawfully be waived; it is not limited to those claims described in this Bring-Down General Release.

c. Release Includes Claims, Whether Known Or Unknown, Existing Prior to Signing of Agreement. The general release and waiver set forth above extends to all claims which existed before the execution of this Agreement and Employee expressly waives all rights under Section 1542 of the California Civil Code. That Section reads as follows:

> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY"**

Employee understands that this means that if, after the Effective Date of this Agreement, Employee discovers facts that are different from, or facts in addition to, the facts that Employee now knows or believes to be true, Employee will not be able to pursue any claims for personal relief covered by the general release against any Employer Releasees.

2. No Pending Claims. Employee specifically warrants and represents that Employee has no pending complaint against the Employer or any of the Employer Releasees in any state or federal court based on Employee's employment relationship with the Employer, or on any other events occurring prior to the execution of this Bring-Down General Release.

3. Government Agency Claims Exception. Nothing in the general release and waiver set forth above, or elsewhere in this Bring-Down General Release, prevents or prohibits Employee from filing a claim with a government agency, such as the U.S. Equal Employment Opportunity Commission, that is responsible for enforcing a law on behalf of the government. However, Employee understands that Employee may only seek and receive non-personal forms of relief through any such claim unless otherwise provided by law.
4. No Assignment. Employee warrants and represents that Employee has not assigned or transferred to any person not a party to this Bring-Down General Release any released claim or portion thereof.

5. Confidentiality. The terms of this Bring-Down General Release are confidential. The parties will disclose the terms of this Bring-Down General Release to no one other than their attorneys, tax advisor(s), immediate family or if required by law.
6. No Admission of Liability. Employee understands that the Company Releasees believe that they have acted properly, and not unlawfully in any respect; similarly, the Company understands that Employee believes that Employee has acted properly and not unlawfully in any respect. Nothing in this Bring-Down General Release is intended to be nor will it be alleged to constitute evidence of or be an admission by Employee or by any Company Releasee of any liability, omission, or wrongdoing of any kind whatever, nor shall this Bring-Down General Release be offered or received into evidence or otherwise filed or lodged in any proceeding against Employee or any Company Releasee, except as may be necessary to prove the terms of this Bring-Down General Release or to enforce the same.
7. Acknowledgment. Employee acknowledges that Employee is entering into this Bring-Down General Release, freely, knowingly and voluntarily, with a full understanding of its terms.
8. Opportunity to Consult with Counsel. In executing this Bring-Down General Release, Employee acknowledges that Employee has had the opportunity to consult with and be advised by an attorney.
9. Paragraph Headings Not Terms of this Bring-Down General Release. The paragraph headings in this Bring-Down General Release are for purposes of convenience only and do not constitute binding terms or binding interpretation of the terms of this Bring-Down General Release.
10. Execution in Counterparts. This Bring-Down General Release may be signed in counterparts, each of which shall be deemed an original of one and the same agreement.

By Employee:

Date:	Signature:	*/s/ Steve Dunn*
	Name:	Steve Dunn

By Employer:

Date:	Signature:	*/s/ Michelle Dvorkin*
	Name:	Michele Dvorkin
	Title:	Chief Human Resources Officer

Exhibit 10.3

Execution Version

SIXTH AMENDMENT TO CREDIT AGREEMENT

This SIXTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of September 15, 2022, is entered into among ZIFF DAVIS, INC. (F/K/A J2 GLOBAL, INC.), a Delaware corporation (the "Borrower"), the Guarantors, the lenders party to this Amendment constituting Required Lenders and all of the Term Loan Two Lenders (as defined below) and MUFG UNION BANK, N.A. ("MUB"), as administrative agent for the Lenders (in such capacity, the "Agent").

RECITALS

WHEREAS, the Borrower, the Lenders and the Agent are party to that certain Credit Agreement dated as of April 7, 2021 (as amended, restated, amended and restated, modified or supplemented from time to time, the "Credit Agreement"; capitalized terms not otherwise defined in this Amendment have the same meanings as specified in the Credit Agreement), pursuant to which the Lenders party thereto made available to the Borrower various credit facilities as described therein;

WHEREAS, Section 9.1 of the Credit Agreement permits certain amendments of the Credit Agreement and the other Loan Documents with the consent of the Required Lenders;

WHEREAS, the Borrower, the Guarantors, the Lenders party hereto which constitute the Required Lenders and the Agent are entering into this Amendment in order to (i) allow the Borrower to incur a senior secured term loan under the Credit Agreement in an aggregate principal amount of $22,294,729.64, which senior secured term loan will mature 60 days from the Term Loan Two Funding Date (as defined in the Amended Credit Agreement (as defined below)), or such later date as permitted by the Amended Credit Agreement (such secured term loan, the "Term Loan Two Facility") and (ii) make other amendments in order to effectuate the foregoing (the Credit Agreement as so amended pursuant to Section 2 below, the "Amended Credit Agreement"); and

WHEREAS, the financial institutions party hereto as the "Term Loan Two Lenders" have each agreed to provide the Borrower with that portion of the Term Loan Two Facility set forth next to such Term Loan Two Lender's name on Exhibit B to this Amendment, in each case on the terms and subject to the conditions set forth in the Amended Credit Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Incorporation by Reference. The parties acknowledge the accuracy of the foregoing Recitals which are incorporated by reference herein and are made a part of this Amendment.

SECTION 2. Amendments to Credit Agreement.

(a) Effective as of the Sixth Amendment Effective Date (as defined below), the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the underlined text (indicated textually in the same manner as the following example: underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto.

(b) Effective as of the Sixth Amendment Effective Date, Schedule A to the Credit Agreement is hereby replaced in its entirety with the schedule attached as Exhibit B hereto.

(c) Effective as of the Sixth Amendment Effective Date, Exhibits A-3, C and E to the Credit Agreement are hereby replaced in their entirety with the exhibits attached as Exhibit C hereto.

SECTION 3. Conditions Precedent to Effectiveness. This Amendment shall become effective (the "Sixth Amendment Effective Date") upon satisfaction of the following conditions, in each case, in form and substance satisfactory to the Agent:

(a) Receipt by the Agent of this Amendment, duly executed by the Borrower, the Guarantors, the Lenders constituting Required Lenders, the Term Loan Two Lenders and the Agent;

(b) Receipt by the Agent of resolutions of the board of directors (or similar governing body) of each Loan Party authorizing (i) this Amendment and (ii) in the case of the Borrower, the borrowings contemplated hereunder, in each case certified by a Responsible Officer of such Loan Party as of the Sixth Amendment Effective Date, which certificate states that the resolutions thereby certified have not been amended, modified, revoked or rescinded and are in full force and effect;

(c) (x) The representations and warranties set forth in Section 5 hereof shall be true and correct as of the Sixth Amendment Effective Date and (y) the Agent (or its counsel) shall have received a certificate of a Responsible Officer of the Borrower, dated the Sixth Amendment Effective Date, certifying compliance with the foregoing clause (x);

(d) The Agent shall have received a legal opinion of Sullivan & Cromwell LLP, counsel to the Borrower, in form and substance reasonably satisfactory to the Agent, executed and dated as of the Sixth Amendment Effective Date; and

(e) The Agent shall have received, with respect to each Loan Party, a certificate dated a recent date, of the Secretary of State (or other relevant state authority) of the state of formation of such Loan Party, certifying as to the existence and, if applicable, good standing of, and, if generally available in such jurisdiction, the payment of taxes by, such Loan Party in such state.

Without limiting the generality of the provisions of Section 8.3 of the Credit Agreement, for purposes of determining compliance with the conditions specified in this Section 3 or otherwise, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the proposed Sixth Amendment Effective Date specifying its objection thereto.

SECTION 4. Reference to and Effect on the Credit Agreement and the Other Loan Documents.

(a) Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement," "thereunder," "thereof," "therein" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Amended Credit Agreement.

(b) The Credit Agreement and all other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The parties hereto acknowledge and agree that the amendment of the Credit Agreement pursuant to this Amendment and any exhibits thereto amended hereby shall not constitute a novation of the Credit Agreement or any other Loan Document as in effect prior to the date hereof.

(c) The execution, delivery and effectiveness of this Amendment shall not operate (i) as a waiver of any right, power or remedy of the Agent or the Lenders under the Credit Agreement or any other Loan Documents, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Documents, (ii) to prejudice any right or rights which the Agent or the Lenders may now have or may have in the future under or in connection with the Credit Agreement or the other Loan Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or modified from time to time, (iii) to be a commitment or any other undertaking or expression of any willingness to engage in any further discussion with the Borrower or any of its Subsidiaries or any other Person with respect to any other waiver, amendment, modification or any other change to the Credit Agreement or the Loan Documents or any rights or remedies arising in favor of the Lenders or the Agent, or any of them, under or with respect to any such documents or (iv) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of any other agreement by and among the Loan Parties, on the one hand, and the Agent or any other Lender, on the other hand.

SECTION 5. Representations and Warranties. Each Loan Party represents and warrants, for the benefit of the Lenders and the Agent, as follows: (i) such Loan Party has the corporate power and authority, to execute and deliver this Amendment, and to perform this Amendment and the Amended Credit Agreement; (ii) all actions, waivers and consents (corporate, regulatory and otherwise) necessary or appropriate for it to execute, deliver and perform this Amendment and the Amended Credit Agreement have been taken and/or received; (iii) each of this Amendment and the Amended Credit Agreement constitutes a legal, valid and binding obligation of each of the Loan Parties (to the extent such Loan Party is a party thereto) enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law); (iv) the execution, delivery and performance of this Amendment and the Amended Credit Agreement will not (a) violate any Requirement of Law applicable to any of the Loan Parties or material Contractual Obligation of any of the Loan Parties, and (b) other than in the case of the Term Loan Two Facility, will not result in, or require, the creation or imposition of any Lien on any of its properties or revenues pursuant to any such Requirement of Law or such material Contractual Obligation, in each case in clauses (a) and (b), except as would not reasonably be expected to have a Material Adverse Effect; (v) the representations and warranties contained in this Amendment, the Amended Credit Agreement, each other Loan Document and each certificate or other writing delivered by the Borrower and any Subsidiary to the Agent in connection herewith or therewith are correct on and as of date hereof in all material respects (except for those representations and warranties that are conditioned by materiality or reference to Material Adverse Effect, which shall be true and correct in all respects) as though made on the date hereof except (i) to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall be so true and correct as of such earlier date and (ii) the representations and warranties made under Section 3.1 of the Credit Agreement shall be deemed to refer to the most recent financial statements of the Borrower furnished to the Agent pursuant to Section 5.1 of the Credit Agreement; and (vi) after giving effect to this Amendment and any borrowings made on the Sixth Amendment Effective Date, no Default or Event of Default has occurred and is continuing.

SECTION 6. Reaffirmation. Each Loan Party hereby expressly acknowledges the terms of this Amendment and reaffirms, as of the Sixth Amendment Effective Date, and after giving effect to this Amendment, (i) the covenants, guarantees, pledges, grants of Liens and agreements or other commitments contained in each Loan Document to which it is a party, including, in each case, such covenants, guarantees, pledges, grants of Liens and agreements or other commitments as in effect immediately after giving effect to this Amendment and the transactions contemplated hereby, (ii) its guarantee of the Secured Obligations under each Guarantee, as applicable, (iii) its grant and the validity of Liens granted by it on the Collateral to secure the Secured Obligations pursuant to the Security Documents. Each Loan Party hereby agrees that after giving effect to this Amendment (A) each Loan Document to which it is a party shall continue to be in full force and effect and (B) all guarantees, pledges, grants of Liens, covenants, agreements and other commitments by such Loan Party under the Loan Documents shall continue to be in full force and effect and shall accrue to the benefit of the Secured Parties and shall not be affected, impaired or discharged hereby or by the transactions contemplated in this Amendment.

SECTION 7. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment electronically shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execute,” “execution,” “signed,” “signature,” “delivery” and words of like import in or related to this Amendment or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Amendment or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention.

Notwithstanding anything contained herein to the contrary, the Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (i) to the extent the Agent has agreed to accept such Electronic Signature from any party hereto, the Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (ii) upon the request of the Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (x) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Agent, the Collateral Agent, the Issuing Bank, the Lenders and any of the Loan Parties, electronic images of this Amendment (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (y) waives any argument, defense or right to contest the validity or enforceability of this Amendment based solely on the lack of paper original copies of this Amendment, including with respect to any signature pages thereto.

SECTION 8. Governing Law. This Amendment and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the law of the State of New York.

SECTION 9. Entire Agreement. This Amendment is the entire agreement, and supersedes any prior agreements and contemporaneous oral agreements, of the parties concerning its subject matter. This Amendment is a Loan Document and is subject to the terms and conditions of the Amended Credit Agreement.

SECTION 10. Successors and Assigns. This Amendment shall be binding on and inure to the benefit of the parties and their heirs, beneficiaries, successors and permitted assigns.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

ZIFF DAVIS, INC.,
a Delaware corporation

By: */s/ Jeremy Rossen*
Name: Jeremy Rossen
Title: Executive Vice President, General Counsel and Secretary

J2 GLOBAL VENTURES, LLC,

By: */s/ Jeremy Rossen*
Name: Jeremy Rossen
Title: Executive Vice President, General Counsel and Secretary

BABYCENTER, L.L.C.,

By: */s/ Jeremy Rossen*
Name: Jeremy Rossen
Title: Executive Vice President, General Counsel and Secretary

EKAHAU INC.,

By: */s/ Jeremy Rossen*
Name: Jeremy Rossen
Title: Executive Vice President, General Counsel and Secretary

EVERYDAY HEALTH MEDIA, LLC,

By: */s/ Jeremy Rossen*
Name: Jeremy Rossen
Title: Executive Vice President, General Counsel and Secretary

EVERYDAY HEALTH INC.,

By: */s/ Jeremy Rossen*
Name: Jeremy Rossen
Title: Executive Vice President, General Counsel and Secretary

HUMBLE BUNDLE, INC.,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

IGN ENTERTAINMENT, INC.,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

J2 WEB SERVICES, INC.,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

MUDHOOK MARKETING, INC.,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

NETPROTECT, INC.,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

OFFERS.COM, LLC,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

OOKLA, LLC,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

PRIME EDUCATION, LLC,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

RETAILMENOT, INC.,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

SPICEWORKS, INC.,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

THREATTRACK SECURITY, INC.,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

ZIFF DAVIS, LLC,

By: */s/ Jeremy Rossen*

Name: Jeremy Rossen

Title: Executive Vice President, General Counsel and Secretary

MUFG UNION BANK, N.A., as Agent, Collateral Agent and Lender

By: */s/ Gina M. West*

Name: Gina M. West

Title: Director

CITICORP NORTH AMERICA, as Term Loan Two Lender

By: */s/ John McAuley*

Name: John McAuley

Title: Managing Director

[Signature Page to Sixth Amendment to Credit Agreement]

EXHIBIT A

Amended Credit Agreement

[see attached]

<u>EXHIBIT B</u>

Schedule A

Revolving Loan Commitments

Lender	Revolving Loan Commitment
MUFG UNION BANK, N.A.	$100,000,000

Term Loan Two Facility Commitment

Lender	Term Loan Two Facility Commitment
CITICORP NORTH AMERICA, INC.	$22,294,729.64

<u>EXHIBIT C</u>

Exhibits A-3, C and E to the Credit Agreement

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Vivek Shah, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ziff Davis, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ VIVEK SHAH
Vivek Shah
Chief Executive Officer and a Director
(Principal Executive Officer)

Dated: November 9, 2022

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Bret Richter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ziff Davis, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ BRET RICHTER
Bret Richter
Chief Financial Officer
(Principal Financial Officer)

Dated: November 9, 2022

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Vivek Shah, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The accompanying quarterly report on Form 10-Q for the quarter ended September 30, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities and Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ziff Davis, Inc.

		/s/ VIVEK SHAH
		Vivek Shah
Dated:	November 9, 2022	Chief Executive Officer and a Director (Principal Executive Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act has been provided to Ziff Davis, Inc. and will be retained by Ziff Davis, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Bret Richter, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The accompanying quarterly report on Form 10-Q for the quarter ended September 30, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities and Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ziff Davis, Inc.

		/s/ BRET RICHTER
		Bret Richter
Dated:	November 9, 2022	Chief Financial Officer
		(Principal Financial Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act has been provided to Ziff Davis, Inc. and will be retained by Ziff Davis, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.